# THE FINANCIAL POST

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## The Nation's Business

**What Did Vote Mean?**
**Personal Triumph for Mr. Robb**
**Conservatives Must Reorganize Now**
**Leadership Big Question**
**Business Men Needed**

INARTICULATE Canada went to the polls on Tuesday and voted. There was, of course, one outstanding result, a result more decisive than anyone had really expected, and this result was the return of W. L. M. King and his followers to the seats of office. But it does not detract from the credit that is due to the Liberal party for their decisive victory to ask "What did Canada vote for?" Indeed, there were many thousands who cast their ballots on Tuesday, who did so with some degree of disappointment at not being able to express their opinions on any really serious issues by placing their "X" at any spot on the ballot. It was a campaign of mediocre, if high-spirited, discussion of hackneyed or irrelevant subjects.

* * *

WHAT did the vote mean? Did the people of Canada administer a rebuke to Baron Byng? Did they endorse Mackenzie King as a statesman of premier calibre? Did they show a lack of interest in the question of honesty in public life? Did they say they wanted the tariff reduced rather than stabilized or raised? Did they even make a gesture of approval of ultimate free trade?

Vain questions these, for indeed the voters were not in a position to answer each and every question with one lot of crosses on the ballot papers. Yet there must have been one underlying, dominant, motivating influence at work to bring about a reversal so speedy and so pronounced. Various Liberal candidates give credit for their success to the *pervading* goodwill created by the *last* notable budget of the late, and probably the new, minister of finance, Hon. James A. Robb. And, truth to tell, the election result does appear to be, as much as anything else, a personal triumph for Mr. Robb.

* * *

OTHER speakers ventured forth with impertinent promises, with meaningless and beclouding technicalities, with hot shot and slander, with all sorts of political tricks, some old, some new. Mr. Robb, almost alone, talked tax reduction, the subject that made Coolidge the most powerful president—at home—in a generation, and gave Mellon,—the essence of financial autocracy,—the popular goodwill usually accorded only to silver-tongued prophets of the "peepul." That is what all Canada wanted: assurance of relief from the pressing burden of taxation. Mr. Meighen and his friends declined to promise it. The Liberals' financial genius did. Is this the secret of the result?

* * *

THE badly handled Conservative campaign, critcized in these columns on more than one occasion during the battle brought down Tory hopes. It was a Liberal campaign throughout, the Grits setting up the issues, the Conservatives trying to knock them down. Meighen never took the affirmative, as the prime minister of the country should have done, but left himself in the negative side—the opposition throughout. Continually he was talking back at the Liberals instead of leading the people to the forward look. It was not statesmanlike leadership, nor even shrewd politics.

* * *

THE question of the leadership is live now in both parties. King, numerically, is stronger now than ever, of course, but with Quebec and the old Liberals of Ontario lacking confidence in him and the West so strongly behind Dunning, an effort will be made to make the latter prime minister. The Liberal demonstration for Dunning—especially among the French members—just before dissolution, when the party had become demoralized, was most significant. Mr. King, as pointed out last week, would then go to Washington.

Mr. Meighen, brilliant, respected, sincere, has failed completely as a leader because he is incapable of understanding the voters, or listening to advice of experienced men and of building a constructive policy thereon. The Conservatives will now have to find a new leader and reorganize nationally.

Business men, Grit and Tory, feel much relieved. Even the disappointed ones know that the more stable conditions are what was needed, needed more than either a Liberal or a Conservative administration was needed.

Looking ahead, there is much prosperity in sight for Canada. The Liberals have a glorious opportunity to make that prosperity complete, generous, fulsome. They will do it if they are ready—as their majority enables them to be ready—to sink politics in business, and place in their cabinet the best executives they can find, and make further immediate reductions in taxations. They have the Washington experience to guide them.

## SAY SCANDINAVIAN WILL BUY HEAVILY CANADIAN FLOUR

### Prospects Good With Government Control Being Taken Off

### AUGUST SALES DROP

### Best Milling Men Say This is of No Great Significance—Export Outlook Declared Excellent

No alarm need be felt by holders of milling stocks because of the 50% decline in Canadian wheat flour exports for August, according to the men who are closely in touch with the current situation.

Prospects for increased flour exports this fall are excellent and milling stocks showed strength this week on the exchanges.

Exports of wheat flour from Canada during August were 230,000 barrels below the corresponding figure in 1925. This is due largely to a falling off of about 50% in the amount of flour exported to countries other than the United Kingdom. The amount of wheat flour exported to the United Kingdom during August was 172,000 barrels, or an increase of 30% over 1925. So far this year the United Kingdom has been our best customer, her purchases having been far in excess of other years, amounting in the last five months to over 1,330,000 barrels as against 700,000 for the same period last year.

**Buyers Waited for Crop Results**

According to those who are in close touch with the milling industry there is no alarming significance in this falling off of foreign exports during August, the drop being attributed to the circulation of rumors regarding a large Canadian crop shortly to be harvested. These reports, it is said, caused a certain amount of temerity among European buyers, especially as large amounts of new American grain of a lower grade, were available for export.

Millers attach some significance to the fact that Europeans are consuming more of the cheaper grades of flour due in part to the uncertainties of exchange. One miller says that exports to Poland and Dantzig which amounted to about 150,000 barrels in 1925, have fallen off entirely. A. H. Bailey, of the North West Miller, who has recently returned from Europe, has brought back the information that Norway, which has been under government control ever since the war, is preparing to restore that country to normal conditions by July of next year. He predicts an increased consumption of Canadian flour as soon as the government restrictions are removed.

## B.C. Pulp Makes Better Progress

By Staff Editor.

VANCOUVER.—The B. C. Pulp and Paper Company, which controls and operates the old Whalen properties as reorganized in the interests of the bondholders, continues to make very fair progress when the rather unfavorable price and other marketing conditions are taken into consideration. Profits at the present time are running about double the bond interest liability, before depreciation, the extent of which allowance decides the net figures. In a statement issued through the Royal Securities Corporation of Montreal covering the company's affairs to April 30th, a cash surplus of some $700,000 was shown and it is understood that this has since been increased and now stands around $900,000.

The company's output is almost entirely in chemical pulp which is being marketed largely in Japan, about two thirds of the total going across the Pacific and the bulk of the balance to the United States.

## Mond Thinks G.T.P. Settlement Helps

Sir Alfred Mond, chairman of the Mond Nickel Co., and of the Victoria Syndicate, when interviewed by The Financial Post in Toronto this week gave it as his opinion that the recent settlement on Grand Trunk Pacific debentures would have a very favorable effect in encouraging more British capital to come into this country. The new settlement announced recently provided for an annual interest payment of 2%, and made provision for sinking fund to redeem the stock during the next ten years.

Sir Alfred stated that very few people realize the attitude of the average British investor to Canadian investments. "Generally speaking," he said, "their attitude is to judge these things very much from the surface, without making much enquiry into the details."

### Tariff Key to Steel Development in B.C.

From Our Own Correspondent

VANCOUVER.—If the new government is able to guarantee a stable policy of reasonable protection, British Columbia will have at least one steel mill. and perhaps two, in the near future.

That is the statement of local representatives of important British and Swedish interests, who now have their experts on the way to the coast to make a thorough investigation of possibilities. The situation has already been pretty thoroughly canvassed by the provincial government engineers and other authorities, and the situation is said to warrant establishment of mills provided profitable markets are assured.

## Can. Locomotive Expects to Run Through Winter

Canadian Locomotives has nearly completed its large order for traction equipment for the Canadian Pacific Railway, but it has additional business on its books to keep it going for many weeks yet without further orders.

The recent decision of the company to enter the field of manufacture of mining equipment and its affiliation with the Colorado Fuel and Iron to this end have proven very successful. There are mining equipment orders on the books to keep the company going until the middle of November and executives of the company express the opinion that the factory at Kingston will be kept going all winter. There are over 400 people now employed.

"We are getting mining business every day," William Casey, general manager, told The Financial Post.

"Conditions are very bright in Canada and we expect to enjoy good business and active operations for many months," Mr. Casey added.

## Smelters May Enter Production of Iron

Consolidated Smelters, which last year had an output of $30,000,000 from its smelting operations in B.C. will this year produce $35,000,000, according to Pres. J. J. Warren, who addressed a delegation of Vancouver Board of Trade to Trail, B.C. Present monthly output was appoximately 10,000 tons of lead, between 5,500 and 6,000 tons of zinc and 800 tons of copper, worth approximately $2,500,000 f.o.b. Trail.

Of last year's production, valued at $30,000,000, only $9,000,000 worth was marketed in Canada. The remainder was exported to the Orient and to Europe, having a very favorable effect on Canada's trade balance.

He conveyed the impression that very large extensions of the company's plant and operations in the Kootenay, for the production of commercial iron, was a possibility. Iron ores and sulphur found in the Sullivan ores had for years been piled on dumps for future use. When Mr. Blaylock desired the equipment to treat those ores commercially, Mr. Warren said he would use his influence with the directors to procure the finances.

### Ogilvie's Bonus Raises Hopes for All Millers

From Our Own Correspondent.

MONTREAL.—The recent declaration of an increased bonus on the shares of the Ogilvie Flour Mills will be welcomed, not only by the shareholders, but also by those interested in other milling enterprises who, in the declaration, will see some indication of improved milling conditions in this country. However, the fact that Ogilvie has been able to declare a bonus of $5 this year as against a bonus of $3 in 1925 is probably not all due to the betterment in the milling industry, for Ogilvie has investments carried on its books at over $8,000,000 as against a property account of $5,057,924. Thus, a large proportion of its income comes from investments and successes in the latter field would be reflected in its disbursements to the shareholders as well as any improvement which makes itself felt in the milling end of the business.

The present bonus to the Ogilvie shareholders means a total disbursement of $10 per share during the current year—a new high record. In 1924 the company's gross earnings amounted to $1,152,145; in 1925 there was a falling off in earning power, and the gross amounted to $758,145. The present declaration indicates that, when the company's annual report makes its appearance shortly, there will be a considerable improvement in earnings over the 1925 level.

As far as the shareholders in other milling companies are concerned, it seems a fair enough assumption that at least part of the increased disbursement can be accounted for in better earnings from the company's milling and coarse grain operations. The present bonus declaration is possibly the most hopeful ray which has been shed on the Canadian milling situation for some time.

## Planning Ahead, Joined With Co-operation, Makes Businesses Successful

### Sir Joseph Flavelle, in Notable Address, Stresses Human Factor

### CHIEF FORCE IS MEN

### Business Lessons, Gained in Forty Highly Effective Years of Effort, Passed on by Business and Financial Leader

Address by
SIR JOSEPH FLAVELLE,
to Canadian Society of Cost Accountants.

The purpose to co-operate with other men is a definite commital to such a course in a man's own thinking. Its exercise will be established only in the world in which men live—not some fancied world we conjure, and will be carried through with conditions as they are, faulty in some respects as they seem to be.

Co-operation in human relations is a principle which cannot be taken on to serve selfish ends, and dropped when some other plan will better serve selfish ends. In its very nature it carries elements of unselfishness, and does not lend itself to tricky conduct. It carries with it the implication that the co-operating bodies will each share in the benefits derived from co-operation. Men cannot hope to work under the name of co-operation, and one of the parties claim all the advantage. Co-operation may be, and is, effectively practised in all phases of life as a practical method of securing mutual advantage and profit. Yet the co-operative spirit which bids mountains be removed and cast into the sea, is an inward grace which grows in contemplation of the second of the two great Commandments: "Thou shalt love thy neighbor as thyself."

**Looking But Not Seeing**

You will remember the story as told of Turner, that a critic of one of his color studies showing wonderful sunset effects, said, "I never saw a sunset like that, or any such colors in a sunset." Turner, who was nearby, said, "My dear man, I am sure you never did."

When I was a boy, I won a book as a prize. I came across it the other day in my house, hidden away among other books. On the flyleaf was inscribed these words:

"Thou must be true thyself
If thou the truth wouldst teach;
Thy heart must overflow
If thou another heart wouldst reach."

This is not a pious platitude, applicable only to women and children. It expresses an inescapable law for red-blooded men, and is applicable to all forms of human relationship. Turner's critic had not cultivated a sense of color in his heart, and could not, when his opportunity came, understand the study in colors by the great artist.

### 119 Cars in 24 Hours

KELOWNA. — Some indication of the Okanagan Valley crop movement may be gathered from the shipments in one twenty-four hours, from Sunday midnight to Monday midnight, when 119 cars of Kelowna fruit and vegetables moved out of the local railway yards. This is in addition to fruit assembled here from other points, which makes a very respectable amount, and in the total is not included cars shipped from other points in the district located on the railroad.

I bring you nothing new in the consideration of constructive co-operation. I will rather present a few suggestions growing out of proved experience in business administration, in the hope that you may find them useful in the counsels of the various corporations or enterprises with which you are associated.

**Seeking Secret of High Wages**

Two young British engineers were interested in seeking to learn how higher wages in the United States than in Great Britain should be associated with a reduced cost of the commodities produced. Hence, a year ago they visited the great Republic, spending October, November and December there, in an endeavor to secure an understanding of their industrial operations, which would furnish an adequate explanation for the phenomenon of lower costs in production being associated with higher wages to the worker. They have recorded their experience in a little book, "The Secret of High Wages." If you read it critically, you may question some of their conclusions. But if you are sympathetic, you will find the meat of the book in the discovery, to their own belief at least, that whether by accident or design, owner and workman in the United States have come to co-operate, whereby the one secures higher wages, accompanied by greater production, and the other an enlarged business and greater profits. That is to say, the employer has encouraged his workmen by higher wages, and the workmen, thus encouraged, have increased their daily production of the needed commodity, which in turn, being sold at a lower price by reason of lower cost, has given the necessary enlarged volume, whereby employer, workman and consumer have shared in the benefits. It should not occasion surprise that work people and employers engaged in an enterprise should assume that they should have interests in common. It should occasion surprise that so frequently these two classes, each dependent upon the enterprise, should be in conflict, or each on guard, watching the other. We may fairly ask why should we ex-

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## International Petroleum Another Company That Keeps Its Profits Secret

THE right of shareholders of a company to adequate information about the operation of the company is one that is so apparent that it is amazing to find important corporations, with hundreds or thousands of shareholders, declining to make their balance sheets or profit and loss statements available to their shareholders.

Companies that list their securities on either the Montreal or Toronto stock exchanges are required to supply their shareholders with financial statements and to make these available also to the exchange, which means to the public. If a company does not comply with the regulation its shares are stricken from the list. Companies that do not want to make this information public can enter their securities upon the "unlisted" section of the stock exchange sheets where such annual reports are not required or may place the stock on the New York or some other "curb" market, which does not set up such stringent regulations. Or the company may decline to have anything to do with arranging trading facilities in the shares leaving that to brokers or large shareholders to arrange if they desire a free market in the securities.

In recent years, the tendency has been for large corporations, as soon as they have passed from the stage of being private or family corporations to list their securities, publish balance sheets and hold annual meetings open to the shareholders. Especially has the movement in the direction of recognizing shareholders' rights made headway in the United States. Companies, whose securities are listed on the New York stock exchange, provide quarterly earnings figures and many big companies are now providing monthly earnings statements. In Canada, there is considerable antagonism to such frequent earnings reports, directors and executives in this country being dominated, to a large extent, by the fear of giving their competitors some information.

The oil refining companies particularly are under discussion in this series of articles and the policies of Imperial Oil and British America Oil in the publication or lack of publication of financial statements have been discussed, while International Petroleum is under review this week.

IN A RECENT discussion of the market position and the prospects of International Petroleum Co. a Toronto brokerage house was forced to remark:

"The investor is left with a good deal of surmise in making a caluculation as to the merits of International Petroleum stock, because the management has not issued annual statements."

International Petroleum is another Canadian oil company the shares of which are widely distributed but which leaves its shareholders practically in the dark as to the company's operations. Since 1914 the shares have been actively traded in either on exchanges or in "curb" markets and thousands of people have purchased stock. The exact number of shareholders is not known, even by the company itself, since bearer share warrants have been issued that pass from hand to hand without registration on the books of the company. But the estimate that the shareholders are numbered in four, if not five, figures seems justified, considering the extensive publicity that has been given to the company by stock brokers and

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## VICTORIA SELLS GREAT CLIMATE AS COMMODITY

### Canada's Outlying Pacific Port Cashes in on Nature

### DRAWS NEW CITIZENS

### From All Over World Those Seeking Invigorating Climate Come to Victoria to Spend Their Days

By J. W. TYSON,
Editor, The Financial Post.

VICTORIA.—This is one city in Canada where one gets the impression of climate as being a commodity. It is very definitely a saleable product, and, costing nothing, it is an important asset to the municipality and to various businesses and industries dealing in it directly or indirectly. Just at present, Victoria, like Vancouver, is planning a campaign to induce the people of the Prairie Provinces and of the farther east to come to Canada's perfect coast rather than go to California or Florida. Indications are not lacking that this campaign will be attended by a considerable measure of success.

Take the case of one American millionaire, who has recently taken an estate near the city. Born in New York, of British parentage, he made his fortune and responded to the lure of Florida, but after some years in the south, found that the climate was proving enervating, and decided that his sons should be brought up under more vigorous conditions.

He sold his Florida property during the recent boom and, after studying conditions over the whole continent, decided upon the Pacific Northwest in general, and Victoria in particular as the ideal location for his home.

Or the case of another millionaire, coming north from California, who has bought a tract of three thousand acres, which he proposes to improve and lay out in small estates for others, who, like himself, are seeking something more invigorating in the way of climate.

**Cashing in on Climate**

These are but instances indicating Victoria's climatic attractions. It has for years been known as a city of beautiful homes rather than for its business activities, which have developed on the mainland at the terminus of the C.P.R. Since steel reached Vancouver to link that city with the east, Victoria's salesmen of climate point to an average winter temperature of 42 degrees, and an average for the summer of 61 degrees, with only 27 inches of rainfall and six hours daily sunshine throughout the year. And there are no mosquitos, no thunderstorms, no blizzards, no zero weather.

Nor is Victoria depending solely on climate for development. She is the outlying port, not only for Canada, but for the northwestern states, as all vessels bound for Seattle as well as Vancouver, pass through the straits. She has splendid facilities, with the second largest dry dock in the world at Esquimault and harbor accommodation for the largest vessels. Ocean traffic has developed greatly since the opening of the Panama Canal. What Victoria is particularly looking to is the further development of car-ferry services to Vancouver to transport shipments for vessels running to Seattle 80 miles south, which would thus avoid the run to Vancouver, an equal distance north.

### Simpson's Are Busier; Mail Order Sales Rise

Improved farm purchasing power is of particular significance to shareholders in Robert Simpson Co. A very large part of the turnover of this large retail organization is in its mail order department and over half of the mail order sales are believed to emanate from Western Canada. Better buying power in the West is certain to stimulate business for the company immediately in the West and eventually in the East as the spending power of the West is passed on to Eastern industrial centres and agriculturalists.

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# Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

## Money in Abundance For New Enterprises
## Fall Business Bound to be Excellent
## Immigration Speeds Up, Aiding Business
## Basic Industries in Sound Shape

ONE of the most apathetic elections ever held in Canada since Confederation is over at last. No great interest was taken in the platform as set out by the different parties, the majority of electors being more concerned in seeing a party with a working majority elected; one which could carry out a constructive policy for the next four years. The unsatisfactory parliamentary situation existing during the past twelve months was anything but helpful to the prosperity of the country and now that the election is over, an acceleration of business should take place.

There is money, in greater abundance than for many years past, available for new enterprises of a sound nature or industrial expansion. Earnings of majority of more important companies are running well ahead of last year and the encouraging business outlook is reflected in the readiness with which new issues are being absorbed by investors. So far this year the major portion of new stock and bond issues have been taken up by Americans, but quite a large amount of the new capital requirements is being supplied by Canadians themselves. The banks, trust and insurance companies have plenty of money for investment or loans.

### Good Business Now Assured

More definite reports are being received regarding fall and winter business. These indicate that there will be no appreciable letup in operations, except, of course, for seasonal lines. Fall goods are moving in good volume. The hand-to-mouth buying policy of the merchants is being toned down and many of them are placing substantial orders for future delivery in order to safeguard themselves against delayed shipments. This in turn has brought about a similar improvement in the trade relations between wholesalers and manufacturers, with the consequent purchasing of more raw materials and increasing employment.

### More Immigrants Now Arrive

Another promising sign of betterment in business, is the heavy increase in the number of immigrants arriving in Canada this year. Figures of arrivals up to the end of June, the latest available, total 70,253, as compared with 43,241 in the corresponding period of last year, an increase of 62 per cent. Under the agreement between the government and the railways, the greater percentage of these newcomers are agriculturists, many of them taking up farms of their own. Whether the immigrant starts out as a farm hand or on his own initiative, there is the necessity of clothing and feeding him, as well as supplying him with farm equipment, lumber, fencing, etc. All this is new business which has made itself felt this year, especially among traders in the West.

### Steel Plants Continue Active

Developments in the iron and steel business during the first two weeks of this month, bear out the forecasts of a continuance of activity during the last quarter of the year. Reports from Sault Ste. Marie, Montreal, Toronto, Hamilton and Sydney, indicate considerable business in hand. The Algoma Steel open hearth furnaces, merchant and coke plants are operating at a high level. The Sydney plant, it is claimed, will soon have considerable business on its books in addition to present tonnage. Engineering and fabricating shops in Montreal, Toronto and Hamilton are handling a volume of business greater than at this time last year.

### Mining Contributes to Prosperity

All of the basic industries are doing well this year, particularly mining, and prospects at present are that some new high records will be created. In the first half of the current year, the government reports an output of metals and non-metallic minerals, including coal, gas and oil, valued at $98,395,788, which marked an advance of $8,048,090, or 8.9 per cent., over the total reported for the same period of 1925. Advances were general throughout the list, copper, gold lead, silver, coal, asbestos, natural gas and crude petroleum registering substantial increases. A considerable amount of prospecting work and development of mining properties is going on, the market for metals and non-metallic minerals is holding up well and the labor situation is satisfactory.

### Car Loadings At High

Car loadings show no reaction, the total for the week ended Sept. 4, last being 66,135, as contrasted with 60,967 in the previous week and with 64,525 for the corresponding period of last year. The cumulative total for the year to date, fully substantiates other statistics bearing on the improvement in business. With the exception of livestock, all classifications show an increase in car loadings. The heaviest increases were recorded for grain and grain products, coal, ore, merchandise and miscellaneous. Total car loadings during this period were 2,026,915, an increase of 223,559 as compared with the same period a year ago.

# Agricultural Survey

## Big Profits in Crop
## Dairy Demand Down
## Wool Industry Better
## Flour Demand Picks Up

WITH wheat cutting completed in the west and threshing well under way, attention is now directed to the ultimate yield of field crops and what returns the farmers will receive. In respect to yield, the federal government last week published a revised estimate of the crop. For the prairie provinces, the yield of wheat is placed at 375,697,000 bushels, as compared with 382,959,000 last year, while the returns for all wheat for the whole of the dominion total 399,008,000 bushels, as against the final figures of 411,375,700 for 1925. Estimates for other field crops are as follows:

| | 1926 | 1925 |
|---|---|---|
| Oats ....... | 459,258,000 | 513,384,000 |
| Barley ..... | 112,101,000 | 112,668,300 |
| All rye ..... | 13,257,000 | 13,688,500 |
| Flaxseed ... | 7,358,500 | 9,297,100 |

### Record-Breaker for Profits

Compared with the final returns for 1925, Manitoba reports an increased yield of wheat, barley and flaxseed Alberta, wheat, rye, and flaxseed; and Saskatchewan, rye only. There seems every likelihood that these estimates will be fully substantiated by the final returns. If this is the case, then there is every indication that this year's crops will be a record breaker in point of profit to the farmer, as the quality of grain is grading higher than last year, while the prices for cash and future options for wheat, as well as other grains, are holding up well, with no immediate prospect of any serious set back. On Sept. 11, the cash price for No. 1 Northern on the Winnipeg exchange was $1.44⅜, while October and May options were $1.34⅜ and $1.36⅛, respectively. The coarse grain markets were steady, with prices in sympathy with wheat.

### Limited Dairy Demand

There has been little change in the market for dairy and cattle products. The demand for butter and cheese continues of very limited character, while foreign buyers are still somewhat indifferent and in consequence the market undertone was easy with little or no change in prices. Cattle prices have held up fairly well during the past week, but there was a limited movement owing to dullness of trade.

In direct contrast to the existing situation for dairy products, the market for eggs has witnessed considerable strength during the past week or two. The continued small surplus coming forward and the consistent demand for eggs, both fresh and cold storage, has resulted in good prices

This should be a good season for the wool producers. W. H. J. Tisdale, assistant general manager of the Canadian Co-operative Wool Growers' Association, states that there is at present a better feeling prevailing in the wool trade. Mill inquiries are coming in more freely and good markets are looked for during the fall months. The association expects to handle about 2,750,000 pounds of Western wool this season. The Ontario total will run about 25,000 pounds more than last year, or 750,000 pounds. In Quebec there will be a 10 per cent. increase, while the Maritime output will be steady.

### Prices Drop to Help Flour

The market outlook for Canadian flour appears to be fairly good, although there is still considerable room for improvement. Sales should be stimulated to some extent owing to the drop in price during the week. Spring wheat grades are quoted in Montreal at 80 cents per barrel below this period a year ago. The London market also reports another decrease in flour prices, a 280 pound sack selling for two shillings below the 1925 figures. This is credited to the falling off in demand, rather than to prospects of increased harvests.

## Canadian Radio Market Shows Big Development

Canada is the biggest United States market for radio apparatus. Canadian importations of radio apparatus from the United States have grown as follows:

| | |
|---|---|
| 1922 ... ... ... ... ... ... | $ 816,685 |
| 1923 ... ... ... ... ... ... | 797,006 |
| 1924 ... ... ... ... ... ... | 2,413,687 |
| 1925 ... ... ... ... ... ... | 3,652,928 |

The United States department of trade and commerce says:

"The value of American radio apparatus exported to Canada during 1925 totalled $3,682,928, which was an increase of $1,289,240 over the previous year. The Canadian radio industry is large and many American manufacturers have branch factories in Canada. Despite the tariff and the marketing of domestic manufacture, the American equipment has an excellent sale. Aside from loud speakers made in England, the import of radio supplies from countries other than the United States is almost negligible. Owing to the small size of the market as compared with the United States, many dealers are both wholesalers and retailers, and several of the manufacturers sell direct to the retailers or to consumers. The demand in the country districts is small, but the farm population is becoming actively interested in radio, and sales to this class are expected to become important. Sales are retarded in the Province of Quebec because broadcasting is not done in French. The Newfoundland market will be a limited one, as static conditions prevailing between the island and the mainland prevent reception from American stations. The potential market for receiving sets in western Canada is large and exports to that section should show the greatest development.

## Canadian Railways Beating U.S.A. Lines

Increase in the earnings of Canadian railroads is in line with the general improvement in the railroad situation all over the continent. American as well as Canadian lines show betterment.

Canadian roads though are showing even greater increases than American lines. Gross earnings of U.S. lines were 6.5 per cent. better in July than a year ago, but C.P.R. earnings were 9.3 per cent. better and C.N.R. earnings 10.6 per cent. better.

The figures follow:

| Gross Earnings, 186 American Railroads | |
|---|---|
| July, 1926 ...................... | $555,471,276 |
| July, 1925 ...................... | 521,596,191 |
| | $ 33,875,085 |
| Or ...................... | 6.5% |
| **Gross Earnings, C.P.R.** | |
| July, 1926 ...................... | $16,598,421 |
| July, 1925 ...................... | 15,188,048 |
| Increase ...................... | $ 1,410,372 |
| Or ...................... | 9.3% |
| **Gross Earnings C.N.R.** | |
| July, 1926 ...................... | $22,527,786 |
| July 1925 ...................... | 20,370,614 |
| | $2,157,172 |
| Or ...................... | 10.6% |

The net earnings figures would show similarly that Canadian lines are doing even better than American roads.

## Merchandise Car Loadings Continue to Show Increase

In spite of comparatively light loadings of grain due to a somewhat backward season, the total car loadings for the past week have continued their strong showing, due to a heavy increase in the movement of merchandise, ore and miscellaneous freight. This continued increase in the movement of merchandise is the one consistent feature of car loadings during the past season and its continued strength is very encouraging of better business. The small movement of grain, which was lighter for the week by 3,159 cars than last year, was due in part to the fact that the overseas demand is for futures rather than for immediate shipment. This caused considerable congestion at Montreal in July and reacted on the August loadings. Heavy rains retarded harvesting operations considerably with the result that very little new grain reached the terminals.

## U.S. Government Finds Trade Dull in East

U. S. Government's survey of trade in Canada, based on consular reports from Canada says:

"Because of recent rains in the Prairie Provinces a delay of a few days in threshing operations over a large portion of that area is expected. General trade conditions are reported as rather unsatisfactory in Nova Scotia. Business is improving in Quebec Province while the usual seasonal slump is being experienced in Ontario. Trade is fairly active in the Prairie Provinces and in British Columbia."

## Commodity Prices Dropped In August in Canada

A drop of 2.3 points, due chiefly to lower prices for vegetables and their products, is the outstanding feature of the Dominion Bureau of Statistics commodity index number for August. Grains, for the most part, moved to lower levels during August. Continued lack of export business, good harvesting weather, a substantial carry-over in Canada and a liberal increase in U. S. visible supplies were the bearish factors. Foreign fruits reacted to lower levels due to cooler weather. Cotton was slightly lower, the official crop estimate and the generally favorable weather being responsible. Towards the end of the month reports of extensive crop damage by adverse weather and insects caused a rise.

In the stock market there was a general upward movement in industrials during August, the index number for common stocks for the month rising 9.9 points to 203.6. Pulp and paper, milling and food stocks being the main leaders. Banks declined very slightly. Bonds remain unchanged.

# Canadian Business Indicators

Compiled weekly by The Financial Post

| | 1926 | 1925 | |
|---|---|---|---|
| Car loadings, week Sept. 4 ........ | 66,135 | 64,525+ | 2% |
| Year to date ........ | 2,026,915 | 1,803,356+ | 12% |
| Merchandise shipped, year to date ........ | 566,031 | 532,066+ | 6% |
| Building permits—July (63 cities) ........ | 18,717,028 | 12,812,603+ | 46% |
| Construction contracts awarded, August ........ | 31,696,500 | 31,207,000+ | 1% |
| Railway Earnings—Seven Months— | | | |
| C.P.R. gross ........ | 101,826,207 | 90,383,867+ | 13% |
| C.P.R. net ........ | 17,877,823 | 11,186,521+ | 60% |
| C.N.R. gross ........ | 143,516,794 | 125,914,357+ | 14% |
| C.N.R. net ........ | 17,536,998 | 5,667,287+ | 210% |
| Pig Iron Output—tons, July ........ | 67,232 | 20,946 | |
| Steel Ingot production, July tonnage ........ | 64,847 | 22,471 | |
| 6 months to June 30 ........ | 410,603 | 413,891— | 0.7% |
| Employment—August index ........ | 104.2 | 96.3 | |
| Newsprint production—July tonnage ........ | 163,037 | 121,664+ | 34% |
| Automobiles produced—(Seven months to July 31) ........ | 140,086 | 105,687+ | 32% |
| Immigration, 6 months to June 30 ........ | 70,253 | 43,241+ | 63% |
| Business failures—No. of firms, July ........ | 137 | 131 | |
| Liabilities, July ........ | 2,352,078 | 2,312,913+ | 1% |
| Imports of key commodities, 12 mos. ending July— | | | |
| Rubber (raw, in pounds) ........ | 45,509,551 | 37,224,426+ | 22% |
| Cotton (in pounds) ........ | 134,658,749 | 110,514,706+ | 22% |
| Crude petroleum (in gallons) ........ | 613,795,257 | 493,243,206+ | 24% |
| Exports of key commodities (12 mos. end. July 31)— | | | |
| Canned salmon, lbs. ........ | 654,179 | 754,577— | 13% |
| Newsprint, cwt. (12 mos. end. July 31) ........ | 31,710,901 | 25,879,134+ | 22% |
| Wheat flour, bbls. (12 mos. end. July 31) ........ | 10,896,654 | 10,169,692+ | 10% |
| Wheat, bushels (12 mos. end. July 31) ........ | 275,557,078 | 146,958,158+ | 87% |
| Grain receipts, August 1 to Sept. 3 ........ | 3,610,934 | 3,816,750— | 5% |
| Bank clearings, August ........ | 1,404,101,880 | 1,246,722,195+ | 12% |
| Savings deposits, July (chartered banks) ........ | 1,329,909,816 | 1,255,005,214+ | 6% |
| Current loans, July (chartered banks) ........ | 941,501,878 | 881,263,805+ | 7% |
| Exports, 12 months to July 31 ........ | 1,343,968,818 | 1,093,165,663+ | 23% |
| Imports, 12 months to July 31 ........ | 969,296,368 | 817,683,042+ | 18% |
| Balance of trade, 12 months to July 31 ........ | 374,672,450 | 275,482,621+ | 36% |
| Price level, June index, 236 commodities ........ | 155.7 | 158.6 | |
| Wheat, No. 1, Nor. Winnipeg, Sept. 14 ........ | 1.42 | 1.37 | |
| Cattle—Good, Toronto, Sept. 14 ........ | $7.25 | Sept. (Aver.) $7.05 | |
| Hogs—Select, Toronto, Sept. 14 ........ | $12.25 | Sept. (Aver.) $13.33 | |
| Pig iron (Number 1 foundry) ........ | | | |
| Bond sales, August ........ | $12,999,645 | $1,533,973 | |
| Life Insurance Sales, seven months ........ | 268,918,000 | 244,764,000+ | 8% |

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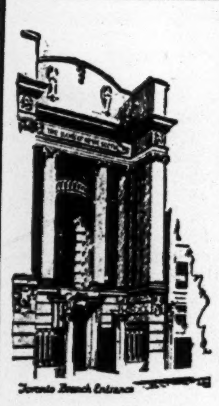

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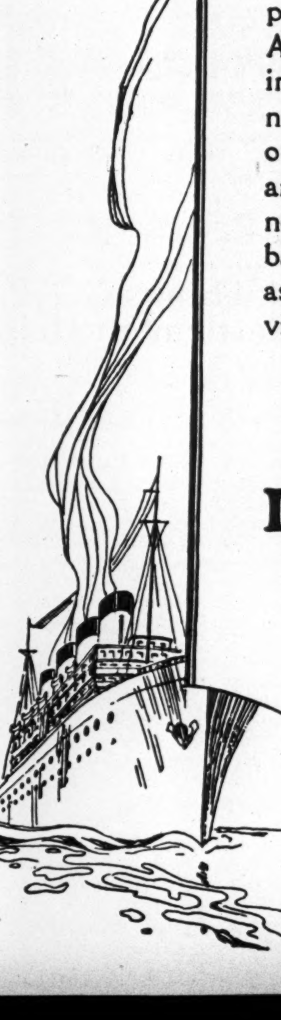

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# CONTROL THROUGH STUDY OF COSTS STEADYING FORCE

## Business Ups and Downs Will be Regulated When Statistics Used

Professor H. Michell, of McMaster University, read a paper on the business cycle in its relation to costs of production in manufacturing before last week's cost convention in Toronto. While acknowledging that much pertaining to the economic cycle was still obscure, he ventured so far as to say that the latest statistical analysis was beginning to throw light on hitherto unexplained phenomenon. A "crisis" followed by a period of severe depression, as was *seen in 1920, came about when costs of production had outstripped the capability of the consuming public* to pay for the commodities produced. The costs of raw materials advanced more quickly than those of finished articles, and wholesale prices more quickly than retail prices. With rapidly and violently advancing prices for raw materials, manufacturers find themselves increasingly embarrassed in trying to adjust their own selling prices so as not to make a loss. In other words, not to put too fine a upoint upon it, Prof. Michell finds it harder to hand on his rising costs to the purchasing public.

The business "crisis" is, in essence, a period of severe "maladjustment," when costs of production have risen so high as to make it impossible for the manufacturer to maintain his profits. When these costs of production have been reduced once more, the period of depression has been passed, and the so-called "cycle" moves to the return to prosperity, which in time moves to another "maladjustment" of costs of production and selling prices to the ultimate consumer. Such is the progress of the cycle, so far as modern statistical analysis has been able to cast light on its course, although it must be admitted that much still had to be cleared up in that study.

Some of Prof. Michell's comments, abbreviated from an interesting paper, unfortunately too long for publication, follow:

What is generally but inaccurately known as the "business cycle" is that phenomenon in the course of business whereby periods of prosperity are followed by periods of depression, and there again by further periods of prosperity.

The apparent regularity of these alterations of good and bad times has lead observers to dub these ups and downs a "cycle," like a wheel revolving round and round. The term cycle is unfortunate, because if a wheel revolves on its axis its motion will be presumably regular and it will take a given place on the wheel the *same time to* turn from the highest point *to the* lowest as from the lowest to the highest. Now this is the exact point where the so-called "business cycle" breaks down. It is all very well to depict the different phases from prosperity to depression and depression around again to prosperity as so many points on a wheel, but it all goes wrong when you begin to turn the wheel, because then you find that the wheel revolves in a very erratic fashion in a series of jerks, sometimes quickly and sometimes slowly.

### Length of Cycle Varies

Sometimes a complete revolution from prosperity to depression and round again to prosperity will take a short time, perhaps about 40 months; again it will revolve slowly, say about 52 months, and sometimes even 60 months. Or again you may even have what we can call a half-cycle or "hemi-cycle," of between 22 and 30 months. And so on, until the task of measuring and much more so of forecasting, the duration of the cycle becomes actually hopeless. We are, therefore, confronted with the strange physical phenomenon of a cycle or wheel that is sometimes revolving at a great speed and sometimes very slowly, and sometimes apparently swelling and at others contracting. Our first conclusion, therefore, is that in trying to anticipate the duration and regularity of the cycle we are hopelessly at fault.

The failure to measure the cycle, or rather in trying to impose a measure on this, has rather serious consequences, because it implies that we cannot arrive at any clear cut and satisfying explanation of the causes of the cycle.

### How to Avoid Severe Consequences

How are the consequences of violent aberrations of prices to be obviated? Frankly I do not know; I do not think anybody knows. But there does seem some hope that we may be able to mitigate the severity of these periodic disturbances. For instance, there can be no question whether that the control of credit in the United States by the Federal Reserve System has done much to keep production and finance on an even keel since 1920. But these disturbances are world-wide and strike much deeper than the banking system of one country, even if that country be the United States. We are back again to the fundamental causes which we spoke of at the beginning and are still unsolved. There lies a tremendous field of research along these lines, and a great deal of very acute search is being prosecuted.

These "cyclical" fluctuations are characterized by the tendency of prices of raw materials to "scatter." As the "scatter" of prices grows more and more pronounced, as one commodity after another soars in its rocket-like path, industry becames more disorganized. I ask you to take your minds back to 1919-20. Were you, or were you not aware during that hectic period that your costs of production were running wild? You all were beginning to feel more and more uncomfortable. And yet you were all in the grip of circumstance. There were the orders clamoring for delivery. It would take an almost superhuman strength of mind to refuse them.

### Cost Students Will Save Situation

I do suggest to those who study costs that theirs is the duty of providing the restraining force to prevent production running wild. You watch your production costs mounting and observe one item after another "sky-rocketing." You begin to feel uncomfortable but the only thing is to go on, hoping that the increased cost can be absorbed by the selling price. How far can you push up your selling price so that the purchasing public will stand for it?

Remember that what you pav for raw material will mount more quickly than what you will receive for the finished product and your manufacturing costs will outstrip retail prices. When you really consider it carefully you will realize that the man who studies costs has his hand on the very pulse of the business cycle. Once let your costs of production run wild and increase so rapidly and to such a height that the possibility of their being absorbed by the selling price of your commodity becomes problematical and the way is absolutely clear to a break in the phase of prosperity of the economic cycle.

Have we arrived at anything definite? I venture to suggest that something is beginning to appear, perhaps through a glass darkly, but at least the outlines are there. Permit me to sum up my conclusions concisely:

1. We must admit that we do not clearly understand every phenomenon of the so-called economic cycle.
2. So far as we can judge, these cycles are what we may term "self-generating," that is to say they move of their own momentum.
3. The phase of prosperity or "boom" is accompanied by a tendency of prices of raw materials to "sky-rocket." One after another they rise to great heights and then topple over of their own weight.
4. Costs of production and wholesale prices advance more quickly than retail prices. It is when costs of production reach the point when they cannot be passed on to the ultimate consumer that the break comes.
5. The only way to mitigate or prevent such disasters is for experts such as those engaged in cost-accounting, to sound the alarm when it becomes perfectly plain to them that production costs are running wild.

### Solution Not Seen Clearly

Such are my conclusions. I wish I could be more certain but as I have remarked over and over again, we do not clearly see the solution of the whole problem of the cycle. But because there are still unexplored regions does not for an instant mean that we may simply throw up our hands and trust blindly to fate. I believe that we are entering on a period of exploration of the whole field of commerce and finance that must sooner or later produce results of enormous importance. Business in the past has been carried on largely on the principle of trial and error, and it has only been through amazing advances in technical achievement that we have not made a greater mess of things than we have. Wealth has come too easily to the world and now we are faced very disconsertingly with the possibility of losing that wealth; great portions of the earth came within a hair's-breadth of losing it after the war, and are still not safe.

The skilled craftsman with his machines has done his best, now it belongs to the statistician and the cost accountant to give their contributions to the problem of the production and conservation of wealth, which in the last analysis, means the conservation of human happiness.

# Canadian National May Earn Interest on Debt to Public

Likelihood is that both of Canada's great railway systems will set up earnings' records this year better than for any year since the war.

Canadian Pacific Railway continues to show steady improvement each month in both gross earnings and net profits and the Canadian National is making phenomenal gains, particularly in net earnings. The fact that both lines show gains is indication that the improvement is due to the increased traffic of the country consequent upon better business conditions.

Significant is the fact that Canadian National's net earnings have increased 14 per cent. while net earnings have increased no less than 210 per cent. in the first seven months of the year. This evidences the fact that the Canadian National is beginning to get the traffic density necessary to make economical operations possible. As the traffic grows, the net earnings will grow even more rapidly.

In 1925, the C.N.R. had net earnings of $32 264,414 available to pay taxes, interest, etc. The deficit was $41,444,764 after payment of these charges. If net earnings should continue to show improvement, the deficit may be much smaller this year. It is hardly likely that the full year will show an increase in net earnings of over 200 per cent., as have net earnings to date, but an increase of $15,000,000 would not be surprising. This would mean net earnings not far short of $50,000,000 — practically enough to pay the interest on obligations in the hands of the public.

**Seven Months' Earnings Figures**

| | |
|---|---|
| C.N.R Net— | |
| 1922 (def.) | $2,148,229 |
| 1923 | 3,070,146 |
| 1924 | 3,214,681 |
| 1925 | 5,667,287 |
| 1926 | 17,536,998 |
| C. P. R. Net— | |
| 1922 | $11,775,979 |
| 1923 | 11,636,394 |
| 1924 | 12,729,646 |
| 1926 | 17,877,823 |

## Membership in Trade Body As a Factor in Credit Rating

O. H. Cheney, vice-president of the American Exchange-Pacific National Bank, of New York, says:

'The time is not far distant when a business man's membership in trade associations will be an important factor in his banker's judgment of his credit rating. It will be that for three reasons:

"Trade association membership is a measure of character, because it shows the member's ability to get along with others. It is a measure of the intelligence of the member's business methods, because he is trying to use co-operation as an economical promotion weapon. Trade association membership is a measure of the soundness of the industry, because it is doing something for the stability, efficiency and economy of production and distribution.

"That is why as a banker I believe that the need of the nation is better, stronger, more active, more intelligent, more public-spirited trade associations. Only through them can there be better business men and better business."

### Canadians Return From States

Figures announced by the Department of Immigration and Colonization show that in the first quarter of the fiscal year, that is in the months of April, May and June, 21,000 Canadians were recorded as returning from the United States after having entered that country with the intention of remaining there permanently. These now declare their intention of permanently residing in Canada. The number returning in June was 6,084.

## Soo Canal Busier; Others Find Traffic in Decline

Traffic through the Soo canal locks during August was 18 per cent. heavier than in 1925 and also heavier than during July, 1926, the big increase being in iron ore which amounted to 10,710,308 tons, compared with 8,703,118 tons in 1925. Wheat was heavier by 1,227,475 bushels, but other grains showed a large decrease. Bituminous coal also was lighter than in 1925 by 100,192 tons.

Welland Canal—The coal traffic continued light and with a decrease in wheat tonnage, the total tonnage was less than last year by 247,337 tons.

St. Lawrence Canals—showed a decided decline in grain traffic, wheat being lighter by 121,051 tons or 4,031,700 bushels, oats by 94,733 tons, rye by 16,255 tons and flax by 1,444 tons; barley showed an increase of 11,382 tons and corn an increase of 1,086 tons. Coal traffic also was lighter than in 1925, anthracite coal showing a decrease of 7,124 tons and bituminous coal a decrease of 63,915 tons. Increases were made by iron and steel, oil, pulpwood, iron ore, sand and lumber, but the total traffic was less than in 1925 by 190,283 tons.

## Three Years' Growth of Canadian Trade

| | | |
|---|---|---|
| **July, 1924** | | |
| Imports | $ 72,631,635 | |
| Exports | 87,059,218 | |
| Favorable Balance | | $ 15,589,163 |
| **July, 1925** | | |
| Imports | $ 81,492,403 | |
| Exports | 101,678,787 | |
| Favorable Balance | | $ 21,787,516 |
| **July, 1926** | | |
| Imports | $ 88,604,911 | |
| Exports | 110,325,650 | |
| Favorable Balance | | $ 22,989,885 |
| **Four Months to July, 1924** | | |
| Imports | $271,258,586 | |
| Exports | 327,309,594 | |
| Favorable Balance | | $ 60,119,542 |
| **Four Months to July, 1925** | | |
| Imports | $292,009,091 | |
| Exports | 351,407,905 | |
| Favorable Balance | | $ 63,773,116 |
| **Four Months to July, 1926** | | |
| Imports | $333,971,590 | |
| Exports | 380,020,931 | |
| Favorable Balance | | $ 51,018,394 |
| **Twelve Months to July, 1924** | | |
| Imports | $ 850,492,013 | |
| Exports | 1,066,305,260 | |
| Favorable Balance | | $228,576,286 |
| **Twelve Months to July, 1925** | | |
| Imports | $ 817,683,042 | |
| Exports | 1,093,165,663 | |
| Favorable Balance | | $288,082,680 |
| **Twelve Months to July, 1926** | | |
| Imports | $ 969,291,231 | |
| Exports | 1,343,968,818 | |
| Favorable Balance | | $388,616,683 |

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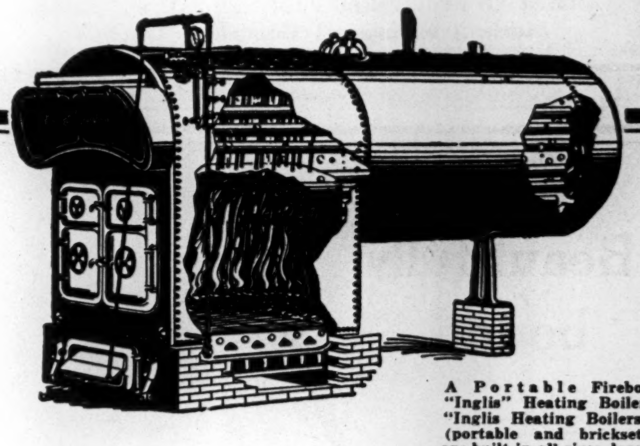

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# Securities Markets

## SOUND BUSINESS GIVES CONFIDENCE IN SECURITY PRICES

### Otherwise Present Flights Might be Viewed With Alarm

**MARKET INDICATOR**

**20 Industrial Stocks**

| | | |
|---|---|---|
| Week of Sept. 15 | 103.4 | 99.9 |
| Week of Sept. 8 | 103.0 | 100.1 |
| Month of Sept. 1925 | 82 8 | 76.9 |

**9 Bank Stocks**

| | | |
|---|---|---|
| Week of Sept. 15 | $225 | $224 |
| Week of Sept. 8 | 225 | 224 |
| Month of Sept. 1925 | 215 | 211 |

**10 Public Utilities**

| | | |
|---|---|---|
| Week of Sept. 15 | 97 | 95 |
| Week of Sept. 8 | 97 | 96 |
| Month of Sept. 1925 | 92 | 88 |

If fundamental conditions in Canada were not so sound, and if evidence of improving business were not pleasantly intruding themselves upon us at every turn, there would be some reason to fear that the Canadian stock market had o'er reached itself. As it is, there is a good deal of enthusiasm among stock market observers, and the flights of market pets are not viewed with alarm. And if any of the leaders should prove themselves to be blown up a bit too much, it would seem that there are other stocks that are ready to take their places; stocks that have been passed by in the general excitement.

The broadening out of stock exchange lists in recent years—particularly on the Toronto Stock Exchange, has been the means of bringing many new investors into contact with stock market trading. Nevertheless Canadian markets still retain their emphasis upon investment as opposed to speculative buying.

**Bank Stocks Ease Off**

In the week's trading, the bank stocks, which have risen high in price and in public favor, showed a tendency to ease off, which was not, however, marked.

**Paper Securities Dominate Rise**

The paper stocks came in for real attention. These securities are capable of a real boom on occasion, and moved up well this week. Abitibi reached a new high for the year, almost touching par. Brompton has shown no stimulus from the completion of the recent financing, and a long pull for real profits is counted on. Laurentide's recovery is remarkable, and a new high for recent years was touched. Price Brothers also is being given the same stamp of investor approval. Provincial Paper's quiet but insistent growth was the cause of a sudden advance this week in the stock. Wayagamack almost touched par.

In the steel group, there is a tendency for Besco issue to react from the lows following the financial crisis. Canadian Car & Foundry is again reflecting expectation of equipment buying by the railways, as is Canadian Locomotive. Massey Harris and other implement stocks are strong, active and popular.

**Milling Stocks Regain Spotlight**

In the foodstuffs securities, the notable feature is the advance of the milling issues, co-incident with forecasts of better export trade in flour this fall. B. C. Fish shows slight reaction from the recent boom; Canada Bread is stronger than ever, with moderate trading; Canners is steady only. City Dairy was up on merger rumors, but reacted when these were punctured.

**Utilities Stabilized Now**

Public utility stocks show no tendency to decline from recent highs. Bell Telephone is steady; as is consumers Gas, fluctuations being small. Laurentide Power, on moderate trading, although Shawinigan has eased off. Montreal Power is an invincible climber.

C.P.R. continues to attract attention as 15 per cent. earnings are forecast. Canada Steamships is active, but the preferred and the voting trust certificates only show real advances.

The traction group is steady, with interest shifting from Brazilian to Winnipeg Electric, where the progress of negotiations for the city power contract affects day to day movements.

**One Textile Stock Active**

In the textiles, Dominion Textile has been active, with only moderate advance, and other stocks are quiet.

**Index Number Climbs Again**

The weighted index number of the 25 best selling industrial and public utility common stocks on the Montreal and Toronto exchanges computed by the Dominion Bureau of Statistics was 212.0 for the week ending September 11, as compared with 206.4 the previous week.

The weighted index number of the volume of stocks traded rose from 76.0 to 87.2, and that for the total value of stock traded, from 156.9 to 184.9 for the same period.

| | Gains | Losses | Unch. | Total |
|---|---|---|---|---|
| Banks | 1 | 6 | 2 | 9 |
| Paper | 11 | .. | 3 | 14 |
| Steel | 9 | 4 | 18 | 31 |
| Foodstuffs | 13 | 12 | 14 | 39 |
| Utilities | 8 | 7 | 14 | 29 |
| Tractions | 4 | 4 | 6 | 14 |
| Textiles | 2 | 3 | 7 | 12 |
| Industrials | 19 | 6 | 20 | 45 |
| Totals | 67 | 42 | 84 | 193 |

**City Dairy Not to be Sold**

There was a report that Nesbitt, Thomson & Co., of Montreal, were negotiating for the purchase of the City Dairy Company. W. J. Northgrave, the president of City Dairy, when asked respecting the matter, said that there was no foundation whatever for any such report. The firm mentioned had not approached him on the subject and no representative of theirs had been in his office.

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### "Power" Helps Sun

**From Our Own Correspondent.**

MONTREAL.—At the recent convention held by the Sun Life Assurance Co. of Canada at St. Andrews-By-the-Sea, the president, T. B. Macaulay, stated that on one of its investments alone, Montreal Light, Heat and Power Consolidated, the company had made close to $8,000,000 in profits.

# Food Products

## SEATTLE MILLERS SAID TO BE BEHIND GRAIN RATE PLEA

### Charge Made They Are Real Seekers of Export Rate Equalization

Some weeks ago British Columbia demanded the equalizing of export and domestic freight rates on wheat and flour from the prairies to the coast. The rate for export of wheat from Alberta common points is 23½ cents per cwt., whereas for domestic purposes it is 44 cents—nearly twice as great. This is for the purpose of encouraging export trade.

Canadian Grocer now makes the change that the agitation does not, apparently, originate in Western Canada at all, but in Seattle, where there are located large United States interests which find Canadian competition in the markets of the Orient becoming keener every year.

"During the twelve months ending February, 1926, China purchased more than twice as much wheat from Canada as in the corresponding period of 1925, and about three times as much as in 1924. The same ratios apply to flour as well. Japanese imports have, too, gone up considerably. The United States mills, near the Pacific coast, have for thirty years or more enjoyed a big flour business with China, and although a few of the Western Canadian mills have for probably fifteen years or so been shipping limited quantities of Canadian flour to the Orient, it was not until about four years ago that our flour began to move there in volume. This has naturally caused reduced shipments from the United States, and the situation has been causing considerable alarm among the millers across the line. This fact seems to be the real reason for the agitation for a lower domestic wheat rate from the Prairies to the coast.

"It would be to the advantage of the United States mills located in Seattle, Portland, and Tacoma, if they could secure Canadian wheat to blend in with their own. They would get gluten strength from our wheat, and would get the color from their own. If they could effect that combination, they would be able to put it all over the Canadian millers. The United States miller at the Pacific coast has to pay the domestic rate from the Prairies to the coast, which is 44 cents per cwt. from Alberta common points. Naturally, it would be very advantageous to him to have the domestic rate reduced to the equality of the export of 23½ cents. It would mean a considerable reduction in the price of the wheat that the Chinese market demands.

"It is reported that a deputation of millers from Seattle visited Vancouver and New Westminster recently with the object of working up local sentiment in favor of rate equalization. Evidently, however, they were not successful in getting any marked enthusiasm for the project, but, from all accounts, they did succeed in inducing a promoter, who had in view an elevator project at a British Columbia point, to apply to the railway commission for a reduction in the domestic rate to make it equal to the export level. It is further stated that the promoter in question was promised the handling of the wheat through his elevator."

### Excellent Showing by "Alcohol" is Expected

**From Our Own Correspondent.**

MONTREAL.—The stock of the Canadian Industrial Alcohol Company is forging into new high ground on the strength of the anticipated increase in earnings during the current fiscal year, which closes very shortly. Coupled with this is the possibility of increased disbursements to the shareholders.

At the close of the company's half-year period, reports were current that the full year's dividend had been earned during three and a half months' operations. Since that date, there has been no further news, except that it is generally understood that earnings have been well maintained.

It is understood that a very considerable proportion of the company's earnings come from the manufacture of liquor, and, while there are no figures on its actual production obtainable, yet the Dominion government's report, showing the Canadian exports for the twelve months ending July, shows a very substantial increase in the exports of whiskey, which for that period are shown at $16,960,771, as compared with $12,040,380 during the preceding year.

This is an increase of some magnitude, and, as there is no doubt about the capabilities of the management of the Canadian Industrial Alcohol, it would obviously take its share of the improved business. The directors of the company meet towards the end of the month, and it is rumored that, at that date, some consideration may possibly be given to an increase in the dividend rate.

**Fanny Farmer Has 89 Shops**

Fanny Farmer Candy Shops sales in August were:

| | |
|---|---|
| 1926 | $228,782 |
| 1925 | 192,380 |
| Increase | $36,402 |

In eight months, sales were:

| | |
|---|---|
| 1926 | $1,950,351 |
| 1925 | 1,448,816 |
| Increase | $501,535 |

During August, three new shops were opened, bringing total to 89.

### Bloor Building Received so Well, New Structure, Larger, is to be Built

Announcement of a new 12-story store and office building on Bloor Street West, near Yonge, in Toronto, gives further evidence of the rapid growth of Toronto's uptown business community. The new structure, which is to be built as soon as possible, is to cost approximately $1,000,000 according to E. L. Clemens of the Central Sites Development Co. Mr. Clemens, who was associated with the financing of the Bloor Building, now being constructed at the corner of Bloor and Bay, has secured options on the 199 feet of property which extend to the east of the Bloor building, and his intention is to proceed immediately with the erection of a structure composed of ground-floor stores and offices.

According to the promoters, this new development on Bloor Street is being undertaken because of the heavy demand that has arisen for offices in the Bloor Building. The Bloor Building was financed by the United Bond Co. of Windsor and Toronto, the bond issue amounting to $650,000. This is a six-story structure similar in plan to the newly proposed building.

**Philip Morris Consolidation**

The Continental Tobacco Co., Inc., stockholders and Philip Morris Co., Ltd., Inc., stockholders who desire to exchange their shares of stock for the stock of Philip Morris Consolidated, Inc., on the basis of ½ a share of class A stock and 1 share of the common stock of Philip Morris Consolidated Inc., for each of the stock of either the Continental Tobacco Co., Inc., or Philip Morris & Co., Ltd., may do so at any time up to and including Sept. 25 by mailing their stock certificates and check (covering transfer tax) to the Guaranty Trust Co., 140 Broadway, New York City.

**Canners Employees Buy Stock**

Canadian Canners stock ownership program is a most interesting one. A considerable amount was taken by employees last year. They made payments on the instalment plan, as was provided for by the directors. There are close to 1,000 permanent employees and nearly half of these are shareholders. This circumstance has a decidedly beneficial effect. It naturally increases the employees' interest in the welfare of the company. Applications are now coming in for a second allotment of stock, which will be made available to employee subscribers considerably below the market. The response to the second invitation to the employees to buy stock is being watched with much interest.

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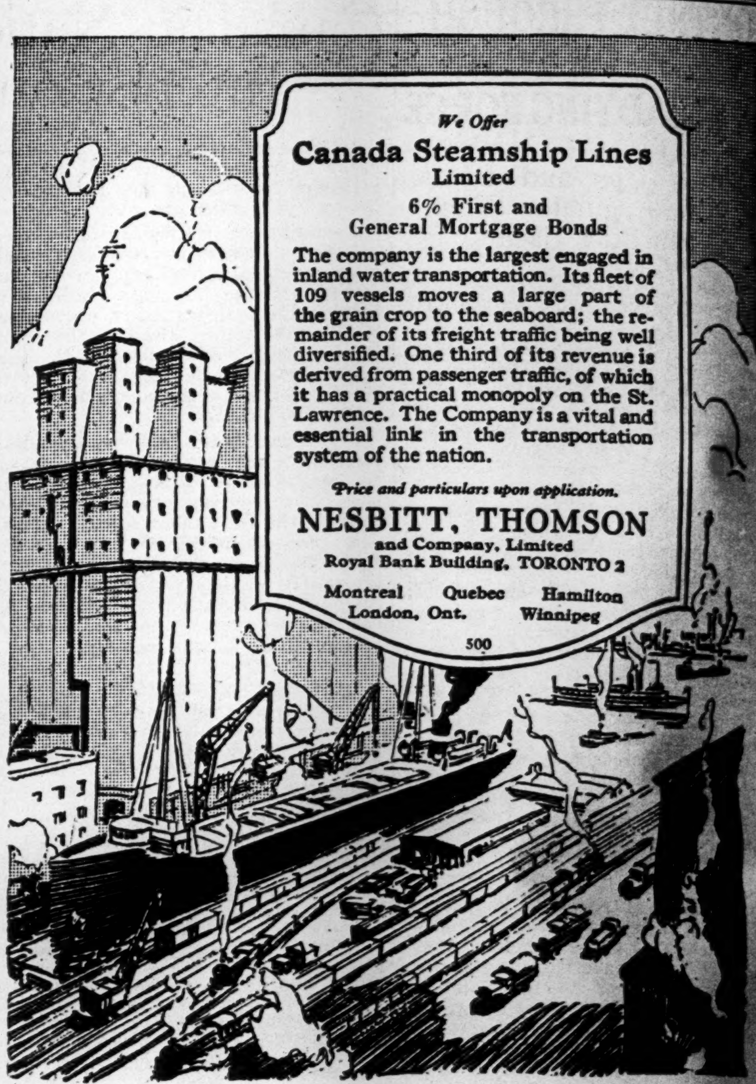

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# Stock Market Record

WEEK ENDING SEPTEMBER 14

| | Div. Rate | Yield Sept. 13 | High for wk. | Low for wk. | Close Sept. 14 | Close Sept. 7 | Sales for wk. | Range, 1926 High | Range, 1926 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.87 | 222 | 221 | 221 | 222½ | 127 | 226 | 214 |
| Dominion | 12+1 | 6.21 | 209 | 209 | 209 | 209 | 15 | 219 | 217 |
| Can. Nationale | 10 | 6.32 | 158 | 157½ | 158 | 159 | 109 | 170 | 157 |
| Imperial | 12+1 | 6.33 | 205½ | 204 | 204 | 205 | 41 | 215½ | 200 |
| Montreal | 12+2 | 5.20 | 269½ | 268½ | 269½ | 268 | 349 | 272 | 251½ |
| Nova Scotia | 16 | 5.46 | 295 | 290 | 293 | 295 | 199 | 300 | 281 |
| Royal | 12+2 | 5.55 | 252½ | 252 | 252 | 252½ | 155 | 255⅛ | 248 |
| Standard | 12 | 6.12 | 197 | 195 | 195 | 195 | 27 | 200 | 190 |
| Toronto | 12 | 5.47 | 220 | 219 | 219 | 220 | 26 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. (no par....) | 4 | 4.17 | 98 | 90½ | 97½ | 91 | 20403 | 98 | 70¼ |
| Do. pref. | 7 | 6.42 | ... | ... | ... | ... | ... | 116 | 106¾ |
| Belgo-Can. pref. | 7 | 7.03 | 100 | 99¼ | 99½ | 99½ | 735 | 101 | 95¾ |
| Brompton (no par) | . | .... | 34½ | 32 | 33¾ | 33 | 3153 | 35¼ | 26 |
| Laurentide | 6 | 5.67 | 106⅛ | 101½ | 105¾ | 101½ | 20667 | 108½ | 81½ |
| Price Bros. com. | 2 | 2.63 | 76 | 76 | 76 | 75 | 250 | 76¾ | 57 |
| Do. pref. | 6½ | 6.40 | 102½ | 101½ | 102 | 101 | 310 | 102½ | 95 |
| Prov. Paper, com. | 6+1 | 6.11 | 114⅝ | 109 | 114⅝ | 108 | 670 | 114⅝ | 100 |
| Do. pref. | 7 | 6.60 | ... | ... | ... | ... | ... | 106½ | 100 |
| Smith, Howard, com. | . | .... | 57½ | 56 | 57 | 56 | 555 | 58¾ | 38 |
| Do. pref. | 8 | 7.76 | 103 | 101½ | 103 | 101½ | 145 | 103 | 92¾ |
| Span. River, com. | 7 | 6.36 | 111¾ | 109 | 110½ | 109½ | 7956 | 111¾ | 96½ |
| Do. pref. | 7 | 5.93 | 120 | 116 | 119 | 118 | 917 | 120 | 108 |
| Wayagamack | . | .... | 99 | 95 | 99 | 95 | 776 | 99 | 56 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B. E. Steel, com. | . | .... | ½ | ½ | ½ | ½ | 25 | 3½ | ¼ |
| Do. 1st pref. | . | .... | 15 | 15 | 15 | 15 | 30 | 30 | 9 |
| Do. 2nd pref. | . | .... | 3¼ | 2 | 3 | 2½ | 2922 | 10¾ | 1 |
| Can. Car. & Found. com. | . | .... | 43½ | 39 | 42 | 38 | 1230 | 49 | 33 |
| Do. pref. | 7 | 8.14 | 86¾ | 85 | 86 | 85 | 4733 | 86¾ | 73 |
| Can. Fairbanks, pref. | | .... | .. | ... | ... | ... | ... | 60 | 60 |
| C. G. E. com. (par $50) | . | .... | 52⅜ | 52⅜ | 52⅜ | 53 | 5 | 53 | 47 |
| Do. pref. (par $50) | 7 | 6.08 | 57½ | 56⅛ | 57½ | 55¾ | 133 | 60 | 53½ |
| Can. Locomotive, com. | . | .... | 40 | 40 | 40 | 40 | 20 | 42 | 35 |
| Do. pref. | 7 | 8.23 | 85 | 83 | 85 | 85 | 70 | 89½ | 73 |
| Canada Iron, com. | . | .... | .. | ... | ... | ... | ... | 10 | 9 |
| Do. pref. | . | .... | 42½ | 42½ | 42½ | 42 | 100 | 42½ | 39 |
| Can. Forgings, pref. | . | .... | .. | ... | ... | ... | ... | 50 | 41½ |
| Dominion Coal | . | .... | 52 | 52 | 52 | 52 | 60 | 52 | 40 |
| Dominion Iron, pref. | . | .... | .. | ... | ... | ... | ... | 24¾ | 5 |
| Dominion Bridge | 4 | 3.70 | 109 | 107 | 107 | 107 | 1539 | 109 | 80 |
| Dom. Radiator, pref. | 7 | 6.89 | 101½ | 101½ | 101½ | 101½ | 5 | 103½ | 100¼ |
| Dom. Steel Corp. pref. | . | .... | 17½ | 16½ | 17½ | 16½ | 35 | 25 | 10⅝ |
| Ford Motor | 10 | | .. | ... | ... | ... | ... | 622 | 500 |
| McKin. Ind. c. (no par) | . | .... | 24 | 24 | 24 | 24 | 260 | 26½ | 15 |
| Do. pref. | 7 | 7.60 | 91¾ | 90½ | 91¾ | 90 | 212 | 92 | 87 |
| Massey-Harris, com. | . | .... | 69¼ | 67 | 68 | 68¾ | 6425 | 69¼ | 40 |
| Do. pref. | 7 | 6.93 | 101 | 100 | 100½ | 99½ | 262 | 101 | 93 |
| N. S. Steel, pref. | . | .... | .. | ... | ... | ... | ... | 25 | 25 |
| Ontario Steel, com. | 4+1 | 6.53 | 76½ | 75 | 76½ | 70 | 200 | 76½ | 60 |
| Do. pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 103 | 98 |
| Russell Motor, com. | 3 | 7.31 | .. | ... | ... | ... | ... | 42 | 39 |
| Do. pref. | 7 | 7.77 | 90 | 90 | 90 | 93 | 30 | 93 | 76 |
| Sawyer-Massey, pref. | . | .... | .. | ... | ... | ... | ... | 13 | 5 |
| Steel of Canada, com. | 7 | 6.42 | 109½ | 109 | 109 | 109 | 1833 | 109½ | 95⅛ |
| Do. pref. | 7 | 5.78 | 122 | 121 | 121 | 122 | 76 | 123 | 114 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Arnolds, com. (no par) | . | .... | 20 | 19¾ | 20 | 19¾ | 35 | 26⅝ | 18 |
| Do. pref. | 7 | 7.77 | .. | ... | ... | ... | ... | 92 | 89½ |
| Atlantic Sugar, com. | . | .... | 26½ | 23⅞ | 23⅞ | 25½ | 1725 | 32⅞ | 21½ |
| Do. pref. | . | .... | 80 | 80 | 80 | 80½ | 25 | 88 | 75 |
| B. C. Fishing | 5 | 5.75 | 75 | 73¼ | 73½ | 75 | 1080 | 78 | 57¼ |
| Can. Bread com. (no par) | $2.50 | 2.71 | 95 | 90⅝ | 93 | 88 | 595 | 95 | 53 |
| Do. pref. (A) | 7 | 6.25 | 112 | 111 | 111 | 110 | 18 | 112 | 105 |
| Do. pref. (B) | 7 | 6.54 | 107 | 106 | 107 | 105 | 65 | 107 | 96¼ |
| Can. Canners, com. | . | .... | 13¼ | 12¾ | 13 | 13 | 337 | 15 | 12 |
| Do. pref. | 4 | 5.88 | 68⅜ | 67½ | 67½ | 68 | 1663 | 70 | 60 |
| Canadian Salt | 8 | 6.38 | .. | ... | ... | ... | ... | 145 | 124 |
| Christie Bisc. c. (no par) | . | .... | 34 | ... | ... | ... | ... | 63½ | 44¼ |
| Can. Bak. c. (no par) | . | .... | 34 | 34 | 34 | 35 | 15 | 37¾ | 26½ |
| Do. pref. | 7 | 7.48 | 94 | 93 | 93½ | 93 | 51 | 98½ | 92 |
| City Dairy, com .(par $25) | 12 | 3.82 | 80⅞ | 77⅝ | 77⅝ | 80 | 440 | 82½ | 65½ |
| Do. pref. | 7 | 6.36 | .. | ... | ... | ... | ... | 112 | 107 |
| Cuban Can. Sugar, com. | . | .... | 3 | 3 | 3 | 3 | 65 | 5 | 3 |
| Do. pref. | . | .... | .. | ... | ... | ... | ... | 28 | 21½ |
| Dom. Stores, com. (no par) | $2.40 | 3.93 | 63½ | 61 | 61 | 63½ | 330 | 68 | 56 |
| Do. pref. | 8 | 6.89 | .. | ... | ... | ... | ... | 116 | 106 |
| Wm. Davies (A) (no par) | . | .... | 30 | 30 | 30 | 29½ | 10 | 37¼ | 29 |
| Inter. Milling, pref. | 7 | 7.07 | 99 | 98½ | 98¾ | 99 | 101 | 105¼ | 98½ |
| Lake of Woods, com. | 12 | 7.31 | 165 | 164 | 164 | 164 | 34 | 175 | 139 |
| Do. pref. | 7 | 5.98 | 117 | 117 | 117 | 118 | 5 | 118 | 115 |
| Loblaw, com. | $1.00 | 2.50 | 40 | 31¼ | 40 | 31 | 80 | 40 | 29¾ |
| Loblaw, pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 102 | 100½ |
| Maple Leaf Mill, com. | . | .... | 71 | 59½ | 71 | 60 | 745 | 88 | 50⅛ |
| Do. pref. | 7 | 7.31 | 95¾ | 94 | 95¾ | 93 | 75 | 102 | 90 |
| Ogilvie Flour, com. | 5 | 2.50 | 200 | 200 | 200 | 200 | 40 | 200 | 165½ |
| Do. pref. | 7 | 5.93 | 118 | 117 | 118 | 117 | 6 | 125 | 117 |
| Pure Gold Mfg. (no par) | 50c. | .... | 20 | 19½ | 20 | 19 | 135 | 23½ | 17½ |
| Shred. W. New. c., (no par) | 75c | 5.66 | 54 | 52½ | 53 | 53⅞ | 797 | 54 | 47½ |
| St. Law. Flour, com. | . | .... | .. | ... | ... | ... | ... | 45 | 26 |
| Do. pref | 7 | 8.38 | .. | ... | ... | ... | ... | 84 | 80 |
| Viau Biscuits, com. | . | .... | 27½ | 27½ | 27½ | 28 | 6 | 28 | 18 |
| Do. pref. | 7 | 8.04 | 87 | 86 | 87 | 87¼ | 65 | 89 | 85 |
| Western Groc. c. (new) | . | .... | .. | ... | ... | ... | ... | 27 | 24 |
| *Do. pref. (new)* | 7 | 9.58 | 73 | 70 | 73 | 69 | 44 | 73 | 62 |
| *West. Can.* Flour, com. | 35c. | .... | 19½ | 18½ | 18½ | 18 | 23 | 19½ | 18 |
| *Do.* pref. | 6½ | 6.56 | 99 | 99 | 99 | 99 | 4 | 99 | 97⅜ |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.76 | 139 | 138 | 139 | 138⅝ | 315 | 141 | 136 |
| Calgary Power | . | .... | 51 | 51 | 51 | 51 | 25 | 52½ | 51 |
| Consumers Gas | -10 | 5.76 | 174½ | 173¼ | 173¼ | 174 | 155 | 183⅞ | 170 |
| Inter. Util. (A) (no par) | 87¼ | .... | 30½ | 30½ | 30½ | 31¼ | 10 | 38½ | 30½ |
| Con. Gas Rights | . | .... | .. | ... | ... | ... | ... | 4.85 | 3.90 |
| Cedar Rapids | . | .... | .. | ... | ... | ... | ... | 50 | 40 |
| East Koot. Power | . | .... | .. | ... | ... | ... | ... | 32 | 25 |
| Jamaica Pub. Ser. pref. | 7 | 7.21 | 97 | 97 | 97 | 97 | 10 | 99¼ | 96½ |
| Laurentide Power | 5 | 4.34 | 115 | 115 | 115 | 115 | 40 | 115 | 100 |
| Mackay, com. | 7 | 5.22 | .. | ... | ... | ... | ... | 138½ | 129 |
| Do. pref. | 4 | 5.57 | 71¾ | 71 | 71¼ | 72 | 140 | 73½ | 68¾ |
| Mexican Light, com. | . | .... | .. | ... | ... | ... | ... | 31⅞ | 29 |
| Do. pref. | . | .... | .. | ... | ... | ... | ... | 86 | 64 |
| Mont. L. H. & Pr. com. | . | .... | 73½ | 70⅞ | 72 | 71 | 37615 | 73½ | 59 |
| Do. pref. | . | .... | 50¼ | 50 | 50¼ | 50 | 16193 | 50½ | 48⅛ |
| Montreal Teleg. (par $40) | 8 | 6.53 | 49 | 49 | 49 | 48½ | 27 | 51½ | 48 |
| Ottawa L. H. & Pr. com. | 6 | 6.18 | 97 | 97 | 97 | 97½ | 10 | 100 | 92 |
| Do. pref. | 6½ | 6.31 | 103 | 103 | 103 | 103 | 5 | 105½ | 100 |
| Ottawa & Hull Pr. com. | . | .... | .. | ... | ... | ... | ... | 30¾ | 25 |
| Quebec Power, com. | 5 | 3.59 | 139 | 135 | 139 | 134 | 437 | 139 | 113 |
| Do. pref. | 7 | 6.19 | 113 | 112¼ | 113 | 112 | 10 | 116 | 109½ |
| Shawinigan | 8 | 3.69 | 224 | 216 | 218 | 224 | 1496 | 224 | 167½ |
| South. Can. Power, com. | 2.00 | 2.15 | 93 | 91 | 92¼ | 91 | 56 | 98 | 81 |
| Do. pref. | 6 | 5.94 | 101 | 101 | 101 | 101 | 110 | 104½ | 99 |
| Shawinigan Rights | . | .... | 7½ | 6½ | 7 | ... | 5255 | 7½ | 6½ |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | . | .... | 39 | 37 | 38 | 38½ | 184 | 40½ | 26 |
| Brazilain, com. | 5 | 4.29 | 119¾ | 115⅛ | 115¾ | 118⅝ | 27259 | 119¾ | 80 |
| Do. pref. | 6 | 5.63 | 106½ | 106½ | 106½ | 106½ | 180 | 106½ | 97½ |
| Detroit Un. Rly. | . | .... | .. | ... | ... | ... | ... | 3½ | 1¾ |
| Duluth-Superior | . | .... | 30½ | 29 | 30¼ | 30 | 250 | 33¼ | 25 |
| Illinois Trac. pref. | 6 | 6.00 | 100 | 100 | 100 | 96¼ | 25 | 100 | 96¼ |
| Montreal Trams | 10 | 5.84 | 171 | 171 | 171 | 171 | 37 | 178 | 159 |
| Ottawa Traction | 4+1 | 7.57 | 66½ | 66 | 66½ | 66 | 725 | 66½ | 60 |
| Porto Rico Rlys. com. | . | .... | 44 | 44 | 44 | 44 | 125 | 47 | 40 |
| Do. pref. | 7 | 7.77 | 90 | 90 | 90 | 90 | 20 | 91 | 85½ |
| Twin City, com. | 5 | 7.24 | 70 | 68½ | 69¼ | 70 | 1377 | 79½ | 68¼ |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 103 | 102 |
| Winnipeg Elec. com. | 1 | .... | 60 | 57½ | 57½ | 58 | 10623 | 60 | 45¼ |
| Do. pref. | 7 | 6.79 | 103 | 101 | 102½ | 101 | 135 | 103 | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pref. | 4 | .... | .. | ... | ... | ... | ... | 49 | 37 |
| Can. Converters | 7 | 7.44 | 95 | 94 | 94 | 95 | 125 | 95 | 90 |
| Can. Cotton, com. | 8 | 6.92 | 115½ | 115½ | 115½ | 115½ | 10 | 124 | 113 |
| Do. pref. | 6 | 6.31 | 95 | 95 | 95 | 94 | 28 | 99½ | 93½ |
| Can. Woollens, com. | . | .... | .. | ... | ... | ... | ... | 8 | 4 |
| Do. pref. | . | .... | .. | ... | ... | ... | ... | 50 | 45 |
| Dom. Textile, com. | 5 | 5.08 | 98½ | 96½ | 98 | 96 | 3981 | 99⅛ | 89 |
| Do. pref. | 7 | 5.98 | .. | ... | ... | ... | ... | 122 | 115 |
| Monarch Knitting, pref. | . | .... | .. | ... | ... | ... | ... | 50 | 45 |
| Montreal Cottons, com. | 6 | 5.35 | .. | ... | ... | ... | ... | 112 | 102 |
| Do. pref. | 7 | 6.06 | .. | ... | ... | ... | ... | 115½ | 110 |
| Penmans, com. | 8 | 4.25 | 188 | 188 | 188 | 191 | 75 | 191 | 173 |
| Do. pref. | 6 | 5.88 | 102 | 102 | 102 | 102 | 70 | 104½ | 101½ |
| Wabasso Cotton | 4 | 5.33 | 75 | 75 | 75 | 79 | 10 | 79 | 60 |
| **General Industrials—** | | | | | | | | | |
| Amer. Sales c. (par $20) | 4 | 6.15 | 65 | 63 | 65 | 64 | 241 | 70 | 54 |
| Do. pref. | 7 | 7.21 | 97 | 97 | 97 | 97 | 41 | 98 | 92 |
| Asbestos Corp. (new) | . | .... | 22¾ | 20¾ | 22¾ | 21¾ | 5374 | 24½ | 16½ |
| Do. pref. | 7 | 9.12 | 79 | 76 | 79 | 76 | 2761 | 79¾ | 62 |
| Building Products, pref. | 7 | 7.69 | 91 | 91 | 91 | 88 | 50 | 91 | 83 |
| Brant. Cord. pf. (par $25) | 8 | 7.69 | 26 | 24¾ | 25¾ | 25 | 755 | 27½ | 24½ |
| Burt, F. N. com. | 12 | 5.21 | 58 | 57 | 57¼ | 57½ | 136 | 67½ | 50 |
| Canada Cement, com. | 6 | 5.50 | 111 | 109 | 109 | 107 | 867 | 111½ | 98 |
| Do. pref. | 7 | 6.14 | 115 | 113¾ | 115 | 113¾ | 64 | 120 | 113 |
| Cons. Rubber, pref. | 7 | 8.00 | .. | ... | ... | ... | ... | 87½ | 86½ |
| Can. Ind. Alc. (no par) | $1.28 | 5.30 | 24½ | 21 | 24 | 20⅞ | 33284 | 24½ | 16¼ |
| Crow's Nest Coal | 6 | 8.82 | 68 | 68 | 68 | 69 | 10 | 85 | 51 |
| Dom. Glass, com. | 7 | 7.52 | 93½ | 92 | 93 | 93 | 405 | 105 | 85 |
| Do. pref. | 7 | 6.69 | 104½ | 104½ | 104½ | 104½ | 5 | 111 | 104½ |
| East. Theat. c (par $25) | . | .... | 30 | 28 | 28 | 30 | 30 | 30 | 18¾ |
| Do. pref. | 7 | 7.52 | .. | ... | ... | ... | ... | 93 | 83 |
| Famous Players, com. | . | .... | 16½ | 15 | 16 | 15 | 281 | 18½ | 11 |
| Do. pref. | 8 | 8.74 | 91½ | 90 | 91½ | 90 | 572 | 94¼ | 88 |
| Gilman, com. | 6 | 4.80 | .. | ... | ... | ... | ... | 126 | 104½ |
| Do. pref. | 7 | 5.38 | 130½ | 130 | 130 | 130 | 51 | 130½ | 113½ |
| Goodyear Tire, pref. | 7 | 7.05 | 99¼ | 98 | 99 | 98⅛ | 288 | 99¼ | 85 |
| Holt Renfrew, pref. | 7 | 8.14 | 86 | 84½ | 86 | 86 | 604 | 90 | 84½ |
| King Ed. Hotel | . | .... | 31 | 31 | 31 | 31 | 8 | 41 | 25 |
| Kelvinator, com. (no par) | . | .... | 16 | 15¼ | 15¼ | 17 | 115 | 20¼ | 14 |
| Do. pref. | 7 | 7.60 | 92 | 90½ | 92 | 91 | 120 | 93⅞ | 88 |
| Lyall Construction | . | .... | 39 | 39 | 39 | 39 | 25 | 48 | 20 |
| Nat. Brew. c. (par $25) | 4 | 5.59 | 72 | 68 | 72 | 67¼ | 34948 | 72 | 56 |
| Do. pref. | 7 | 6.60 | 106 | 106 | 106 | 106 | 50 | 110 | 104 |
| National Brick, com. | . | .... | .. | ... | ... | ... | ... | 12½ | 8 |
| Do. pref. | 7 | 11.20 | .. | ... | ... | ... | ... | 72 | 60 |
| Pacific Burt, com. | 6 | 6.38 | .. | ... | ... | ... | ... | 110 | 90 |
| Do. pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 110 | 102 |
| Port Hope San. com. | 3 | 3.00 | 100 | 99⅞ | 99⅞ | 95 | 35 | 100 | 74½ |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 105 | 99 |
| Rogers, Wm. com. | . | .... | 62 | 60 | 62 | 60 | 30 | 67 | 45 |
| Do. pref. | 7 | 7.25 | 96½ | 92½ | 96 | 93 | 58 | 97 | 90 |
| Sher-Williams, com. | 6 | 4.41 | 137 | 136 | 137 | 137 | 35 | 138 | 125 |
| Do. pref. | 7 | 6.14 | 114 | 114 | 114 | 115 | 3 | 115 | 110½ |
| Sterling Coal | 4 | 10.56 | 40 | 39 | 39⅛ | 39½ | 50 | 43 | 37 |
| Tooke Bros. | . | .... | .. | ... | ... | ... | ... | 8 | 8 |
| Do. pref | . | .... | 63 | 63 | 63 | 62½ | 65 | 63 | 55 |
| Tuckett Tobacco, com. | 4 | 6.34 | 63 | 61 | 63 | 62 | 1 20 | 65 | 58 |
| Do. pref. | 7 | 6.82 | 102½ | 102½ | 102½ | 105 | 45 | 105 | 100 |
| Woods Mfg. com. | . | .... | 47 | 47 | 47 | 47 | 66 | 48 | 38 |
| Do. pref. | 7 | 7.97 | 88 | 87¾ | 87¾ | 87 | 25 | 90 | 77¾ |
| Standard Chem. pref. | . | .... | .. | ... | ... | ... | ... | 9 | 9 |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 6.02 | 168½ | 166 | 167 | 167⅝ | 49 | 169 | 147 |
| Can Steamships, com. | . | .... | 30 | 28 | 28¾ | 30 | 1032 | 30 | 11 |
| Do. pref. | . | .... | 87¾ | 86 | 87½ | 87¾ | 3091 | 88 | 56 |
| Do. voting | . | .... | .. | ... | ... | ... | ... | 29⅞ | 11 |
| **Trust and Loan—** | | | | | | | | | |
| Central Canada | 12 | .... | .. | ... | ... | ... | ... | 210 | 210 |
| Can. Landed (par $50) | 10+1 | 5.97 | 92 | 92 | 92 | 92 | 65 | 100 | 90 |
| Can. Permanent | 12 | 5.68 | 211 | 210 | 211 | 209½ | 21 | 211 | 202¼ |
| Colonial Invest. | 6 | .... | .. | ... | ... | ... | ... | 7 | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | ... | ... | ... | ... | 157 | 157 |
| Huron & Erie | 7+½ | 5.63 | .. | ... | ... | ... | ... | 133 | 127½ |
| Landed Banking | 9 | 5.76 | .. | ... | ... | ... | ... | 156 | 150 |
| Mont. Loan (par $50) | 12+1 | 6.50 | .. | ... | ... | ... | ... | 50 | 50 |
| National Trust | 12 | 5.00 | .. | ... | ... | ... | ... | 245 | 232½ |
| Ontario Loan (par $50) | 11 | 5.28 | .. | ... | ... | ... | ... | 106 | 103½ |
| Real Estate Loan | 7 | 7.77 | 90 | 90 | 90 | 85 | 1 | 90 | 85 |
| Toronto Gen. Trusts | 12 | 5.33 | 225 | 225 | 225 | 225 | 2 | 225 | 220 |
| Toronto Mtge. (par $50) | 10+1 | 5.61 | 98 | 98 | 98 | 98 | 72 | 100 | 93½ |
| Union Trust | 7 | 6.76 | 103⅜ | 103⅜ | 103⅜ | 99 | 25 | 103⅜ | 98 |
| **THE CURB MARKET** | | | | | | | | | |
| Andes Pete. | . | .... | .. | ... | ... | ... | ... | 6⅝ | 6⅝ |
| Attendu Eng. | . | .... | 32 | 29 | 29 | 32 | 440 | 43¼ | 7 |
| Beacon Oil | . | .... | 19½ | 18½ | 18⅝ | 19½ | 765 | 19½ | 14¼ |
| Belding Pref. | 7 | 8.75 | 80 | 80 | 80 | 80 | 50 | 101 | 75 |
| Brit. Amer. Oil (par $25) | 10 | 4.32 | 58¼ | 57½ | 58⅛ | 58¼ | 106 | 60 | 47 |
| Can. Nor. Pr. pref. | . | .... | 90 | 90 | 90 | 94½ | 10 | 94½ | 90 |
| Can. Oil, com. | 1¼ | 5.55 | 91 | 90 | 90 | 87 | 17 | 91 | 65 |
| Do. pref. | 8 | 7.08 | 113 | 112½ | 113 | 112 | 25 | 113 | 100 |
| Cockshutt pref. | . | .... | 73 | 70 | 71¾ | 68½ | 760 | 73 | 57¼ |
| Continental Oil | 1.00 | .... | .. | ... | ... | ... | ... | 26 | 20 |
| Dom. Eng. | . | .... | .. | ... | ... | ... | ... | 90 | 65 |
| Dryden Power (no par) | . | .... | 10 | 9½ | 10 | 9½ | 620 | 11 | 5½ |
| East. Engineering | . | .... | .. | ... | ... | ... | ... | 2½ | 1 |
| Eng. Elec. com. (no par) | . | .... | .. | ... | ... | ... | ... | 24½ | 15 |
| Do. pref. | . | .... | .. | ... | ... | ... | ... | 73 | 59½ |
| Good & Worts (new) | . | .... | 35⅝ | 32½ | 33 | 34¾ | 11580 | 35⅝ | 27½ |
| Illinois Power pref. | 7 | 705 | 99¼ | 99¼ | 99¼ | 99¼ | 11 | 99¾ | 96 |
| Imperial Oil | 1.00 | 2.70 | 37¼ | 36⅛ | 37 | 37 | 1890 | 38¼ | 32¼ |
| Inter. Petroleum | 75c. | 2.20 | 34¼ | 33¾ | 33¾ | 34½ | 636 | 35½ | 29¼ |
| Manitoba Power | . | ... | 42⅜ | 41 | 41½ | 41 | 245 | 43 | 24 |
| Newsprint Co. | . | .... | .. | ... | ... | ... | ... | 125 | 75 |
| North Star Oil com. (par $5) | . | .... | .. | ... | ... | ... | ... | 27 | 18 |
| Do. pref. | 7 | .... | .. | ... | ... | ... | ... | 490 | 450 |
| Nor. Mex. Pr. com. | . | .... | .. | ... | ... | ... | ... | 55 | 40 |
| N.S. Car, com. | . | .... | .. | ... | ... | ... | ... | 15 | 5 |
| Page Hersey com. (new) | $2.00 | 4.25 | 47 | 46¾ | 46¾ | 46¾ | 380 | 49 | 43 |
| Do. pref. (new) | $1.75 | 6.69 | 104⅝ | 193½ | 104½ | 103⅝ | 353 | 104⅛ | 100½ |
| McColl Oil, com. | . | .... | 23 | 22½ | 23 | 22⅜ | 1569 | 23 | 18⅞ |
| Do. pref. | . | .... | 99 | 99 | 99 | 99½ | 5 | 99½ | 99⅜ |
| Paton Mfg. com. | . | .... | .. | ... | ... | ... | ... | 55 | 50 |
| Do. pref. | . | .... | 96 | 96 | 96 | 99 | 50 | 99 | 75 |
| Power Corp. (no par) | . | .... | 24 | 24 | 24 | 23 | 95 | 28¼ | 22 |
| Pressed Metals | . | .... | 40 | 38 | 40 | 38½ | 25 | 40 | 30 |
| St. Law. Pr. (no par) | . | .... | 47 | 47 | 47 | 45 | 5 | 50 | 35 |
| St. Maurice Pr. | . | .... | 78 | 78 | 78 | 78 | 30 | 82 | 72½ |
| St. Maurice Valley | . | .... | 64½ | 62 | 63 | 65 | 654 | 65 | 40 |
| | | | | ... | ... | ... | ... | 102 | 99 |
| R. Simpson, pref. | 6 | 6.00 | ... | ... | ... | ... | ... | 102 | 99 |
| Toronto R. S. | . | .... | 1.65 | 165 | 165 | 155 | 327 | 165 | 110 |
| Un. Secs. com. | . | .... | 50 | 50 | 50 | 50 | 120 | 65 | 50 |
| Do. pref | 6 | 5.85 | 102¼ | 102½ | 102½ | 102 | 20 | 105 | 102 |
| Volcania Oil | . | .... | 28¾ | 28 | 28⅛ | 29 | 100 | 29 | 26 |

## Iron and Steel

# OUTLOOK NOW FOR N.S. STEEL BONDS IS NOT ALL BAD

### Undoubtedly There Are Large Assets But Earnings Are Poor

**From Our Own Correspondent.**

MONTREAL.—Acting on behalf of a group of debenture and bond holders of the Nova Scotia Steel and Coal Company, the Eastern Trust Company is asking the courts to place the company in the hands of a receiver.

This naturally brings up the question of exactly what security the bond holders and the debenture holders have behind their holdings. While the Nova Scotia Steel and Coal Company may have an abundance of physical assets behind its bonds and its debentures, yet the earnings from these assets are a vital consideration also in any endeavor to size up the value of the securities.

Both issues are a mortgage on the company's properties; the bonds are a first mortgage, whilst the debentures are a second mortgage. The amount of these two senior securities outstanding at the close of the last calendar year was as follows:

5 per cent. mortgage bonds $5,227,906.

6 per cent. mortage debentures $4,978,500.

### Compared With Assets

The comparison of these mortgages with the physical assets of the company is complicated, for the Nova Scotia Steel and Coal Company owns practically all the common stock of four subsidiaries and, in addition, owns and operates large physical assets of its own. The company itself owns and operates three or four collieries, but its output is not a large factor in the total coal production of the British Empire Steel Corporation. In addition, it owns a portion of Besco's iron ore deposits and operates one iron ore mine in Newfoundland and, of course, its large steel plants.

### How Subsidiaries Are Owned

The following shows the capitalization of Nova Scotia Steel's four subsidiaries and the stock held in these subsidiaries by the parent company:

**N. S. LAND COMPANY,**

$11,000 common stock, all held by N. S. Steel & Coal Co.

**Wasis Steamship Company**

$16,000 common stock. All held by N. S. Steel & Coal Co.

**Eastern Car Company**

$861,000 Bonds; 750,000 Preferred shares; 800,000 common shares; N. S. Steel and Coal owns all the common and $642,900 of the preferred stock.

**Acadia Coal Company**

$1,900,000 1st Preferred shares; 1,000,000 2nd preferred shares; 1,846,100 common shares. N. S. Steel & Coal Co. owns almost all the common and 2nd preferred shares and all the first preferred.

The last annual statement of the Nova Scotia Steel and Coal Company for the year ending December 31, 1925, shows consolidated fixed assets, less depreciation, of $28,046,031. The N. S. Steel and Coal Company itself shows fixed assets, less depreciation, of $22,052,863; the difference in these two figures being, of course, the value which the company places upon the fixed assets of its subsidiary companies.

### A Substantial Margin

It will be seen in the foregoing capitalizations of the subsidiary companies that there is about $1,000,000 of senior securities of the subsidiaries in the hands of the public. Therefore, it is safe to say that the Nova Scotia Steel and Coal Co. has fixed assets of some $27,000,000 applicable to its issue of bonds and debentures. Thus, the margin of safety between both the first mortgage bonds seems substantial as far as actual assets are concerned. Also, after deducting the first mortgage bonds, there is well over $20,000,000 in assets applicable to the $4,978,500 of debentures presently outstanding.

As far as it goes, this is satisfying to the bond holders and the debenture holders, but a more unpleasing picture is presented by a comparison of the bonds and debentures outstanding with the earnings of the N. S. Steel and Coal last year.

The company shows two income accounts for the year 1925, one shows the earnings from the company's own properities, and the other shows the earnings from all sources, including subsidiary companies. The N. S. Steel and Coal Company itself operated at a loss of over $127,000 last year, to which must be added strike and shut-down expenses of $349,000, making a total loss for the year of $520,000 before fixed charges.

The consolidated income account makes a somewhat better showing with operating earnings of $118,778. But strike and shut-down expenses during the year amounted to $617,413, making a total loss on operations during the year of $498,634.

However, the picture of the earning powers of the company has somewhat brightened by the improved labor conditions and improved business which is being experienced at present. However, the general outlook for the future is anything but bright.

It is hard to make an estimate of just what the Nova Scotia Steel and Coal Co. and its constituent companies will earn this year, but if it could earn $118.778 in 1925 with the strike lasting five months and various other unfavorable conditions, it would appear to be able to earn perhaps an operating profit of say $600,000. If this be so—and one man's guess is as good as another—the latter figure must be compared with the interest requirements on the two mortgage issues. The bonds require annual payments of $261,395 and the debentures $298,650 making, in all, total annual fixed charges of $570,045. This, of course, constitutes the minumum fixed charges and does not take into consideration bank interest, nor the $51,165 annual payments to be made on the bonds of the Eastern Car Company.

### Outlook for Preferred

Thus, while the outlook for the debenture holders is not promising, nevertheless, there are some rays of light which perhaps shine through the otherwise dark clouds.

The N. S. Steel and Coal has $10,000,000 in common stock outstanding; this is all owned by Besco. There is outstanding also $1,000,000 in preferred stock of which only $192,000 is held by Besco and the remainder is publicly held. The outlook for the preferred shareholders is, of course, bad—especially if the holders of the mortgage securities acquire the properties.

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### Buys Western Steel Plant

L. A. McElroy, president and general manager of United States Horse Shoe Co., manufacturers of horse and mule shoes, etc., Erie, Pa., confirms the report that he has personally purchased the plant of the defunct Canadian Western Steel Corporation at Medicine Hat, Alta. He has not yet reached any definite conclusion as to the disposition to be made of the plant. There is a strong possibility of his putting it in operation at Medicine Hat and also a possibility of its being removed to some point in the western states.

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|---|---|---|
| DOMINION OF CANADA GUARANTEED (Issued by Canadian National Rys.) 4½%, Sept. 15th, 1954 | 95.40 | 4.80% |
| DOMINION OF CANADA GUARANTEED (Issued by Canadian National Rys.) 5%, Feb. 1st, 1954 | 102.25 | 4.85% |
| PROVINCE OF ONTARIO 4½%, Sept. 1st, 1944 | 97.58 | 4.70% |
| PROVINCE OF ONTARIO 5%, October 15th, 1948 | 102.00 | 4.85% |
| PROVINCE OF SASKATCHEWAN 4½%, October 1st, 1944 | 95.76 | 4.85% |
| CITY OF TORONTO 4½%, November 1st, 1939 | 96.08 | 4.90% |
| CITY OF OSHAWA 5%, June 1st, 1933 | 99.42 | 5.10% |
| CITY OF EDMONTON 5½%, November 1st, 1945 | 101.37 | 5.39% |
| TOWN OF FORD CITY 5%, December 15th, 1937-43 | | 5.25% |
| MUNICIPAL BANKERS 5¾% Dollar for Dollar Bonds, February 15th, 1946 | 100.00 | 5.75% |

*Complete information regarding any of the above offerings will be gladly forwarded upon request.*

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34 King Street East - Toronto

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**THE ROLLAND PAPER CO., LIMITED**
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MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

### St. Lawrence Increase Soon

MONTREAL.—The two new 80 ton newsprint machines which are being installed by the St. Lawrence Paper Mills will be in operation on November 5 and December 5 respectively. Construction activities on the new addition to the plant are up to, and ahead of schedule.

# *Pulp and Paper*

## BETTER SHOWING ANNUAL REPORT OF ST. LAWRENCE

### Paper Company Shows Nice Increase in Both Gross and Net

**From Our Own Correspondent.**

MONTREAL.—The three oustanding points about the increased earnings of the Saint Lawrence Paper Mills as revealed in its satisfactory annual report for the year ending June 30, are first, the enlarged sulphite capacity of the mill was only in operation during the last half of the fiscal year; second, that last year the company allowed $45,433 in its income account to provide for taxes and that this year the profits are shown after payment of all taxes, and finally, that before the close of the present calendar year the capacity of the mill will have been doubled and thus, for the present fiscal year, earnings should again reveal another substantial increase.

Due to the company's expansion programme, comparisons with the figures of preceding years reveal little of the present status of the company, but it is satisfactory for the shareholders to note that the working capital has increased; this does not, of course, take into account the liquid funds held for the completion of the construction programme.

#### The Balance Sheet

The balance sheet shows amongst the assets that call loans have increased to $799,000 as compared with $250,000 last year. The investment account has increased from $102,112 last year, to $761,647. The latter figure is considerably below the market value of the securities held.

The profit and loss figures and the working capital figures over the past three years compare as follows:

| | 1925-26 | 1924-25 | 1923-24 |
|---|---|---|---|
| Profits .. .. .. .. | x$969,695 | $868,469 | $825,846 |
| Deduct: | | | |
| Deprec. .. .... | $332,618 | $271,265 | $271,265 |
| Bond int. .. .. | 192,774 | 162,500 | 28,997 |
| Deb. int. .. ... | 8,408 | ....... | ....... |
| Bank int. .. .. | ....... | ....... | 139,778 |
| Tax res. .. .. | ....... | 45,433 | 40,509 |
| Net inc. .. ... | $435,893 | $389,270 | $345,291 |
| Pfd. divs. .. .. | 200,000 | 200,000 | 183,000 |
| Surplus .. .... | $235,893 | $189,270 | $162,296 |
| Prev. surp. ... | 351,567 | 162,296 | ....... |
| P. & L. bal. .... | $587,460 | $351,566 | $162,296 |

xAfter Tax.

**Working Capital**

| | 1926 | 1925 | 1924 |
|---|---|---|---|
| Curr. assets .. | $2,480,928 | $1,699,296 | $943,027 |
| Curr. liabs. .... | 960,988 | 295,936 | 253,343 |
| Work. cap. ... | $1,513,940 | $1,403,360 | $707,684 |

#### The President's Remarks

N. A. Timmins, the president of the company, in his remarks to the shareholders said in part:

"The cost of production for paper for the period covered by the statement was lower than in the preceding year, and the average selling price also declined. The total production of the mill for the past twelve months has been greater than for the same period last year.

"Depreciation of plant, buildings and machinery has been charged off at the rate established during the first year of the company's operations.

"During the period covered by this report, a 100-ton sulphite mill has been brought into production and the surplus sulphite sold under contract with the Wayagamack Pulp & Paper Company, Ltd.

"Your company have sold $6,500,000 6 per cent. bonds and 2,000,000 6½ per cent. mortgage debentures to Nesbitt, Thompson & Company, Ltd., for the purpose of calling the old series "A" and "B" bonds, and to provide sufficient additional money to erect the plant and instal the machinery required to produce an additional 175 tons per day of paper, as well as to purchase sufficient shares of the Tourville Lumber Mills Company to control that operation and harvest the pulpwood from 350 square miles of both freehold and limit lands which the Tourville Company owns. This purchase materially strengthens your company's timber position, as it adds one and one-quarter million cords to the standing timber, where all expensive streams improvement and timber development work is done.

#### Capacity to 325 Tons a Day

"The earnings as shown in the statement are from the operation of a 150-ton per day mill, together with the sulphite capacity before mentioned, and does not reflect any benefit from the new financing, which provides sufficient funds to bring the plant to a capacity of 325 tons of newsprint paper per day. The increased capacity should, in the opinion of your directors, increase the company's earning position proportionately.

"The paper produced in the past twelve months has been well taken by the publishers, and the reputation of your company as a high-grade producer and for most excellent service has not only been maintained, but added to.

"Your company has also formed the St. Lawrence Sales Company, Ltd., for the purpose of selling the production of the mill independently, and also for the purpose of having more direct contact with the publishers who will use our product. This company takes over the sales of St. Lawrence paper on the 1st January, 1927.

"You have seen much comment in the papers on the possible over-production of newsprint in the immediate future, but, so far this year the consumption of paper in the United States has been largely in excess of any rate of consumption hitherto existing there."

### Mattagami Sale Soon

MONTREAL. — The judicial sale of the assets of the Mattagami Pulp and Paper Company takes place on October 11. Before the sale takes place, the debenture holders will meet and authorize the purchase of the property at a price not exceeding the full amount of the debentures, plus interest arrears and all prior charges. If no higher bid is obtained for the property, the debenture holders will thus acquire the assets and a new company will be formed in which the debenture holders will own practically all the equity in the property. The debenture holders will turn in their debentures and receive in exchange the new common and new preferred shares.

## Good Forest Work

In establishing a fund to be known as the forest reserve account, the Province of British Columbia has given a lead which might well be followed by all the other provinces—especially those in which the forest industries do, or will, play a predominant part in the industrial picture.

British Columbia has realized that in order to assure the life of its forests, definite reforestation must be undertaken. For this use, the forest reserve account has been set aside. Other Canadian provinces derive large revenues from the pulp and paper and other forest industries. To assure the life of the forests and their dependent industries which bring prosperity in their train, a far greater proportion of the revenues which come from these sources should go back into forest perpetuation.

The Province of Quebec derives $2.70 from each cord of wood taken off Crown lands; in other there are similar payments made by the companies. The reasonable and businesslike way in which the provinces should handle these payments is to definitely plow back a larger proportion of such earnings into the forests. Thus, and only thus, will the Canadian forests be saved, not for the next, but for the present generation.

### Straw Pulp Plant Now Mooted For Edmonton

John Bache-Wiig and a group of Edmonton business men have completed preliminary arrangements for the formation of a company to be known as the Western Canada Pulp and Paper Co., for the express purpose of manufacturing paper from straw by a special process invented by Mr. Bache-Wiig. R. L. Grey, H. F. McKee, James Ramsay, and D. M. Duggan, all of Edmonton, are interested. A Dominion charter will be applied for and the capitalization will be placed at $500,000.

Some time ago, the Alberta Government conducted investigations into all well-known processes for the manufacture of pulp from straw in order to determine some method of utilizing the vast quantities of this material which annually goes to waste, and, finally, about two years ago, made arrangements for laboratory tests of the Bache-Wiig process at Montreal. The tests were regarded as successful and it was decided to go much more fully into the matter and, to this end, a semi-commercial pulp plant was installed so that pulp could be made on a larger scale and definitely determine the actual cost of making both straw pulp and paper, and to compare the costs with that of making the same materials from wood.

The semi-commercial tests substantiated the favorable results determined from earlier experiments and that as far as the technicalities of the process were concerned they presented no inherent difficulty to commercial application. It is stated that the Bache-Wiig process does not radically differ from the standard sulphite process, which gives it the advantage of being able to use modern wood pulp for the reason that marking, chipping, grinding, etc., are eliminated.

Practically every standard variety of paper is capable of manufacture from straw pulp and tests have demonstrated that quality and tensile strength are in every way comparable to that made from wood-pulp. Special attention was paid to the manufacture of wrapping paper, sheathing paper and carton boards, for which there is a ready market in the West. There was also developed under the process an insulating board having a distinct advantage, in that it is surfaced and can be used as a wall board, being both water and fire resistant.

The matter of location of the plant has not yet been settled.

### Howard Smith's Paper Does Largest Volume

**From Our Own Correspondent.**

MONTREAL.—It is understood that all the plants of the Howard Smith Paper Mills are at present doing the largest volume of business in their history; this is but natural in view of the general business improvement which has been experienced in the Dominion.

The betterment in business, which the company is experiencing is the more satisfactory, as over the past few years many improvements have been carried out from earnings and thus it is in an improved position to take advantage of the present strength in the demand for fine paper. The result has been that the position of the common stockholders of the company has been materially improved this year. On the other hand, probably, it is too early as yet to look for dividend payments on the junior securities; for it is the management's intention to assure the continuity of dividend payments once they be recommenced. In the meantime, the financial position of Howard Smith Paper Mills is undergoing a steady improvement.

### Abitibi's Output May Reach 520 Tons in Year

**From Our Own Correspondent.**

MONTREAL.—It is generally thought that the newsprint production of the Abitibi Power and Paper Company will easily average some 520 tons daily when the company closes its books at the end of its fiscal year on December 31 next. Last year, Abitibi produced on an average of 500 5 tons daily and in 1924, 488.2 tons. During the present year, operations have been maintained at capacity and the company has cause to congratulate itself on its mill staff who each month seem to create new records of production.

Despite the $5 cut in the price of newsprint during the current fiscal year, it seems a fair assumption that the company will at least equal its 1926 record of $11.1 in earnings available for each common share. All these favorable factors have, of course, already been discounted in the increased market price of Abitibi stock. The results which the company have, and are achieving, well warrants the general anticipation of an increase in the dividend rate to $5 or possibly $6 a share at some future date.

### International Again Expands?

MONTREAL.—It is reported that the International Paper has taken options on further power sites in the Ottawa River. These are situated near Des Joachim, P. Q., about 50 miles west of Pembroke, Ont. It is rumored that limits have been bought here also with the idea of erecting a pulp and power development at this point.

Additional Pulp and Paper News on page 7, See also page 12.

**Abitibi Power & Paper Company**
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

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H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

## Iron and Steel

# COCKSHUTT PLOW ARREARS SUBJECT FOR DISCUSSION

### Company Has Over 50% Unpaid Dividends to Make Up

The steady rise of Massey-Harris shares has somewhat overshadowed continuous market improvement in Cockshutt Plow preferred. It is not long since this stock was selling at a price considerably under the amount of the arrears of dividends actually applicable—when declared—to the stock. Now, with 53½ per cent. in arrears the preferred shares are selling at around 72, an excellent advance from recent low levels. The high this year has been 73 and the low 57½.

Cockshutt Plow earnings in recent years have come back strongly and it is predicted that 1926 will show surprising improvement. The record of recent years has been as follows:

| | Profits | Dividends | Surplus at end of yr. |
|---|---|---|---|
| 1918 | $553,215 | $258,600 | $ 86,401 |
| 1919 | 571,587 | 258,600 | 399,388 |
| 1920 | 660,921 | 484,875 | 574,434 |
| 1921 | 624,292 | 258,600 | 251,761 |
| 1922 | 5,657 | 258,600 | 3,193 |
| *1923 | 98,636 | 387,900 | 116,277 |
| 1924 | 64,346 | 64,650 | 54,302 |
| 1925 | 313,505 | †..... | 70,091 |

*18 months.

†No dividends paid, but $297,717 written off.

**Dividends in Arrears**

There is a fair chance of the dividend on the preferred stock being resumed in some manner in the comparatively near future. This dividend has not been paid for some time and, in fact, has not been disbursed at the full 7 per cent. cumulative rate since 1913. The disbursement in 1914 was 5¼%, with nothing in either 1915 or 1916; 1 per cent. was paid in 1917, 4 per cent. in 1918 to 1923 inclusive; also in 1919 there was disbursed 3½ per cent. on account of arrears. In 1924 the last payment which has been made on the stock, amounting to 1 per cent., was paid in the month of March. The preferred dividends, as of June 30, 1926, were in arrears to an amount of 53½ per cent.

As to how a resumption of the dividend would be carried out, there seem to be several ways open to the company. One is to fund in some manner the amount of arrears presently standing against the stock and resume initial disbursements at, possibly, 1 per cent. quarterly, these gradually being increased, or else a plan might be evolved, providing earnings were sufficiently satisfactory, whereby the arrears might be directly tackled, the payment of regular dividends being left over until the arrears were out of the way. Still another way of dealing with the matter would be for the company to undertake a complete capital reorganization.

*This latter* would probably be simple *in form,* as the company has outstanding no bonds, $6,465,000 of the 7 per cent. cumulative $100 par value preferred and $5,000,000 of the $100 par value common. An interesting feature of the preferred stock is that it is entitled to 120 per cent. of par value in case of dissolution. It also has equal voting rights with the common stock.

**Improving Earning Power**

Indications are that earnings of the company during the current year are running at a more satisfactory rate than in recent years. It is known that the industries which the company serves with its products are becoming more prosperous, and this is resulting in better business for Cockshutt Plow.

Progress established thus far in 1926 would seem to indicate that once more Cockshutt Plow is coming into its own and that the next few years should see it once more established upon a sound earnings basis.

### Pressed Metals Renews Stock Dividend Proposal

Shareholders of Pressed Metals Co. of Canada have been called to attend meetings on September 25 next, for the purpose of considering a scheme which provides for the cancellation of the present arrears of dividend on preferred by the exchange of new securities. The shareholders were originally asked to consider the arrangement at a special meeting called for the first week in September, but for technical causes postponement was agreed upon. The proposition to be submitted to the shareholders is identical with that outlined in a previous circular. "It is provided in the scheme of arrangement that the Pressed Metals Co. of Canada shall sell to American Bushings Corporation its undertakings and good will. Name of the American corporation shall, in time, be changed to Pressed Metals of America. To cover arrears on the 8 per cent. preferred, amounting to 40 per cent. it is proposed to create a new issue of 7 per cent. preferred, and exchange for each share of preferred outstanding 1½ shares of the new issue, the bonus of 50 per cent. new preferred to cover dividend arrears. A further sum of $2 in cash per share will be distributed in lieu of an adjusting dividend for the last quarter of the year. New common will be exchanged on a share basis for the old. The authorized capital stock of the American corporation shall consist of $500,000 par value 7 per cent. cumulative preferred of $100 each, and 75,000 common shares of $100 each. The new preferred shall carry dividends to accrue from January 1 next."

### Monarch Battery Business Shows Big August Increase

Monarch Battery Company, Kingston, reports active business with nice increases being recorded. Negotiations with a number of automobile companies have lead to the Monarch Battery being named as standard equipment on three Canadian cars, while large orders have been received from a big retail organization. August business was 50 per cent. over August, 1926 business. A new factory is being built.

**N. S. Steel 5's Bring 45**

At an auction sale in Breton a block of $4 000 Nova Scotia Steel and Coal, 1's, 5's, July, 1959, were sold at 45 per cent. flat.

### Kelvinator Now in Full Production at London

Kelvinator of Canada is now in full production at London and is manufacturing Kelvinator units, self-contained cabinet Kelvinators and Nizer ice cream cabinets. Sales manager H. K. Patterson reports that sales are increasing and there is a steadily growing demand for electrical refrigeration in all parts of the Dominion.

The company has established a British subsidiary to be known as Kelvinator Limited, of London. Sales handling contracts also were made in six other western European countries. The new British subsidiary will have $200,000 preferred stock and 500,000 shares of common stock, all of which will be owned by Kelvinator of Canada, a subsidiary of the Electric Refrigeration Corporation, of Detroit.

### Chateau Apartments Now Has No Vacancies

**From Our Own Correspondent**

MONTREAL.—Since around the beginning of August every apartment in the Chateau Apartments here has been rented. Prior to this date there were but one or two vacancies.

The Chateau is owned by the Montreal Apartments, which has $1,875,000 of first mortgage bonds in the hands of the public. The company's year ends December 31, next. With the apartments completely rented, therefore, the earnings during the current year should be well in line with those estimated at the time the bond issue was first made.

When the bonds were issued, the net revenue available for bond interest, after allowing 10 per cent. for vacancies, was estimated at $260,000 per annum, whilst annual interest charges on the first mortgage bond issue amount to $121,875. It appears, therefore, that earnings this year will be well in line with those forecast.

### Asbestos Merger Meeting Competition Successfully

**From Our Own Correspondent.**

MONTREAL.—The Perfection Glass Company has declared an initial dividend of 5 per cent. on its capital stock payable to shareholders on October 15 next. This declaration is simply a reflection of the success which has attended the operations of this comparatively new company.

The company manufactures non-shatterable and bullet-proof glass developed under a patented process and in addition it makes various other forms of glass and glass specialties. The Perfection Glass was incorporated in April, 1925, and has been in active operation for about one year. Operations have been carried on at three plants in Montreal, but recently arrangements were made to concentrate its production and warehousing units in new quarters well suited to its activities.

**Massey-Harris Calls Bonds**

The Massey-Harris Company and the Massey-Harris Harvester Company have called for payment by lot, at 102½ with accrued interest, on Oct. 15, of $400,000 of their ten-year 8 per cent. sinking fund debenture bonds due Oct. 15, 1930. This is in pursuance of their trust agreement with the United States Mortgage & Trust Company.

## Pulp and Paper

Continued from page 7.

### Autumn Months Should Increase Newsprint Sales

**From Our Own Correspondent**

MONTREAL.—With the usually slack summer season over, and with the strong demand for newsprint over the last few months, the general opinion appears to be that the next few months will witness an even greater demand for newsprint. In the autumn, business picks up after the seasonal recession in summer, and finally culminates in the large turnover preceding the Christmas season. Thus, it is anticipated that the demand for advertising will, as usual, show a marked increase from now on, and, coupled with this, the demand for newsprint paper from the Canadian mills must mount. If the demand increases to the extent anticipated in some quarters, it is possible that during the next few months newsprint will change hands on the spot market at considerably above contract prices. Thus, there is the possibility that newsprint in 1927 will revert once again to higher prices, all of which is a favorable factor in the marketwise outlook for Canadian newsprint securities.

### Bathurst Regains Market for States for Sulphate

**From Our Own Correspondent.**

MONTREAL.—The plans of the Bathurst Company for the addition of one new newsprint machine to its mill will be put into effect immediately upon the receipt of report of the company's engineers on the power situation on the Nipisiguit River. At the present time, engineers are studying the possibility of the river to ascertain whether the power is actually available and whether it may be economically developed; this report will be made to the company within a week or two. In order to provide a regulated flow in the river, it will be necessary to erect new storage dams.

Recently, the Bathurst Company shipped 1,400 tons of kraft pulp to the middle western states via the St. Lawrence route. This marks the reopening of a market which the company had formerly, but which, due to the poor conditions prevailing generally in the market for sulphate kraft, had been closed for some time.

### Abitibi Power Advances Executives at Plant

In keeping with the policy of the Abitibi Power & Paper Company in extending the responsibility of the management of the different associated companies in the hands of those actively connected therewith, announcement was made this week, by L. R. Wilson, vice-president, of the appointment of T. A. McDonald, as president of the Abitibi Lands and Forests, the company which owns and operates the townsite at Iroquois Falls, and of which he has been manager for about three years.

Mr. McDonald first came to Iroquois Falls in August, 1917, as employment manager. The housing problem was later so intimately connected with the labor situation that, in 1923, he was made manager of the townsite, in addition to his other duties, and his appointment now as an executive of the company will in no way lessen his activities as employment manager. As landlord of two hundred and seventy-four houses, he comes intimately in contact with all the residents of Iroquois Falls, and has their confidence, as well as that of the company.

When the Abitibi Electric Development Company completed the new power plant at Island Falls last summer, H. L. Sanborn was put in entire charge of that operation.

The Abitibi Research Corporation was recently formed, and R. W. Hovey was made president and manager.

G. S. Code has been, for years, vice-president and manager of the Iroquois Falls Merchandising Company, and, with the new appointment of Mr. McDonald, the chief officers of all the subsidiary companies are now located at Iroquois Falls.

These men have all grown up in the Abitibi organization.

### Perfection Glass Co. Pays Initial Dividend

**From Our Own Correspondent**

MONTREAL.—While the actual shipments of asbestos from the province of Quebec are somewhat below those of a year ago, yet, there prevails a general feeling that the increased prices made possible by the asbestos merger have more than offset the decline in the volume of production. Thus, the general opinion of those well acquainted with the activities of the Asbestos Corporation is that within a day or two it will declare its second quarterly dividend on the preferred stock. Of course, it is impossible to obtain any authoritative declaration that the dividend will be met, yet, the general impression is that, during the current year, the earnings have worked out at a level which provides for a satisfactory margin between dividend requirements and net earnings. It seems reasonable to presume, then, that if earnings be sufficient, the directors will undoubtedly declare the dividends. Thus both the common and the preferred shares of the Corporation have strengthened of late.

Since its inception, the corporation has experienced keen competition with the Keasbey and Mattison Company, but during the first six months of its operations it appears to have successfully met this competition and also to have earned sufficient, or considerably more than sufficient, to meet its preferred dividend requirements.

**Dodge Bros. August Sales**

The corporation reports total sales to dealers in the United States and Canada of 31,335 cars and trucks during August, a gain of 8,798 cars, or 25.6 per cent., over August, 1925. Production for the first 8 months of 1926 totaled 265,606 units compared with 187,673 during the first 8 months of 1925, a gain of 41.5 per cent.

**Manitoba Paper Progresses**

MONTREAL.—Good progress is being made in the erection of the Manitoba Paper Company's plant; the roof is on the mill buildings and a considerable amount of progress has been made in laying out the town site which will adjoin the mill and which will house the employees.

GLASS of all descriptions
*All kinds of flat glass available*
For immediate delivery and in large quantities.
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*To All Motor Users*
A Timely Request for Co-operation
Avoid Overloads—Don't Speed
FALL rains soften the subgrade and decrease its resisting power. Exercise judgment in loading and use extreme care in operating your trucks.
Overloaded trucks—especially when driven fast—tear the very heart out of even hard-surfaced roads. Foundations are weakened. Disintegration follows, and then comes the road repair force, who of necessity make your transportation more difficult, while you have created an unnecessarily large repair bill.
While the Provincial Highway Department and the municipal authorities make these repairs, don't forget that you and your neighbors will foot the bill eventually, through taxes. It is to your interest to be public-spirited in this matter—to co-operate sincerely.
The Government believes that the majority of truck owners and drivers will avoid overloading and will refrain from speeding. Others will be given an opportunity to explain as the law will be rigorously enforced.
THE HON. GEO. S. HENRY, Minister of Highways
S. L. SQUIRE, Deputy Minister
*Issued by the Ontario Department of Highways to secure the co-operation of motorists and truck operators, Automobile Clubs, Good Roads Associations and all other public spirited bodies, in abating the abuse of the roads of the Province.*
CO-OPERATION MEANS CONSERVATION
68

## *Public Utilities*

# STEAMERS ISSUE OF $18,000,000 YIELDS 6.30%

### Large Syndicate Behind Bond Offering—Estimated Earnings $3,500,000

**From Our Own Correspondent**

MONTREAL—A syndicate headed by Nesbitt, Thomson and Company and Kissel, Kinnicutt and Company and including the Bank of Montreal, the Royal Bank, Wood Gundy and Company, the National City Company and several U. S. investment houses met with good response in offering the new $18,000,000 bond issue of the Canada Steamship Lines which has been issued in connection with the company's recent acquisition of the Great Lakes Transportation Company and the George Hall Coal and Shipping Company.

The territory served by the company extends from the head of the Great Lakes to the gulf of the St. Lawrence and comprises the most important industrial area and contains fully 60 per cent. of the total population of the Dominion. The fleets consist of 109 vessels on the Great Lakes doing a bulk freight, package freight and passenger business. It owns also passenger and freight terminals, warehouses, hotels and coal handling facilities at various points on the lakes and on the St. Lawrence; also a 4,000,000 bushel grain elevator situated on lease-hold property. The company owns also several subsidiaries doing a large business, including shipbuilding and repairing plants, towing and wrecking services, and a coal sales company which operates coal handling docks and vessel coaling stations, and does a business in excess of 1,500,000 tons annually. The ownership of the latter means that "Steamers" obtains fuel for its ships of a satisfactory grade and at a satisfactory price.

### Commodities Carried

The principal commodities carried by "Steamers" are in their order of importance, grain, iron ore, coal, pulpwood and stone. During 1925, the steamships now comprising the fleet moved 57 per cent. of the wheat crop which was carried by Canadian ships on the Great Lakes.

The C.S.L. obtains nearly one-third of its total revenue from passenger traffic, and the company handles practically the entire tourist traffic on the Great Lakes.

The acquisition of the two other lines of steamships, coupled with the present financing, gives a decidedly improved aspect to the balance sheet of the company. It is in a first class working capital position.

### The Bond Issue

The particulars of the bond issue follow:

**$18,000,000 Canada Steamship Lines**

First and general mortgage, 6 per cent. bonds.

**The Company:** Largest Canadian company on the Great Lakes and also does a coal business, operates hotels, freight terminals and a grain elevator, etc.

**Earnings:** Estimated for current year at $3,500,000, after all charges but income tax, and available for total annual interest charges of $1,320,000.

**Assets:** Net tangible depreciated assets of over $38,000,000 as against funded debt of $23,028,278 in all.

**Security:** Issue is a first mortgage on recently acquired steamship lines which have a depreciated value of $14,000,000 and in addition is secured by a second mortgage on the company's other property which leaves a further equity behind this issue (after depreciation) of $17,041,798.

**Sinking Fund:** Payments will be made which will retire the first mortgage debentures by 1936 and after this date the entire sinking fund of $400,000 annually will be devoted to the retirement of the present issue.

**Purpose:** To purchase two lines of ships and to retire a 7 per cent. bond issue.

**Capitalization:** Upon the completion of financing plans:

| | |
|---|---|
| 5% debenture stock | $4,853,278 |
| 7% debenture notes, due 1927 | 175,000 |
| 6% 1st and general mortgage bonds | 18,000,000 |
| 6% cum. particip. pfd. shares | 15,000,000 |
| 120,000 shares—no par value | 3,084,523 |

**Offered:** September 1926, by Nesbitt, Thomson and Company and Kissel, Kinnicutt and Company and syndicate at 97 to yield over 6.3 per cent.

# BUSINESS FAIRLY GOOD IN JAMAICA

### Some Depression in Prices, Due to World Market Situation, is Reported

Investors in Jamaica Public Service Corporation will be interested in the favorable reports from Kingston, Jamaica. Business conditions are described as fairly good, there having been considerable rainfall during the past month, which leads to the conclusion that the output of agricultural commodities will be well maintained. A somewhat disturbing feature is the fact that current prices, due to world market conditions, remain somewhat depressed. Considerable interest is being shown by local importers in Canadian goods of various kinds. An example of this development is the import of Douglas fir from British Columbia. Hitherto, Jamaica's imports of soft wood amounting to about 12,000 ft. per annum, have been almost entirely of foreign origin; but in the last three months between 1,500,000 and 2,000,000 ft. of Canadian Douglas fir have been bought in Kingston. This lumber is apparently growing in popularity due to its good quality and its especial capacity to resist the ravages of wood ants. The business has brought a considerable amount of freight to the Canadian Government Merchant Marine, whose steamers have come from Vancouver through the Panama Canal to Kingston.

The sugar industry is not in such good condition, due to unfavorable market conditions, one large group comprising over a dozen estates, being now on the market for sale. The new governor, Sir R. E. Stubbs, K.C.M.G., has announced his intention to bring out an irrigation expert from England, as some large areas are unproductive, due to a lack of water, while the island itself is abundantly supplied with that commodity. The governor has also expressed himself as being in favor of a direct line of steamers between Great Britain and Jamaica.

### "Power" Oversubscribed

MONTREAL. — Applications from customers for common stock under the new customer ownership plan of Montreal "Power" have poured into the company. The offering has been oversubscribed by such an amount that it seems probable that those who subscribed for the maximum amount of 20 shares will be fortunate in the final allotment if they obtain five shares. It is the company's intention to fill, first of all, as many orders as possible for small allotments and in this way to obtain as wide a distribution for its shares as possible.

### Sells Customers in Ottawa

MONTREAL. — The Ottawa Traction Co., through the Royal Securities Corporation, has carried on a form of customer ownership campaign in Ottawa and the surrounding districts for the sale of its common stock on a yield basis of about 7½ per cent. No new stock is involved in the campaign and consequently orders received from customers are purchased on the open market.

## Quebec Southern Power Building New Plant

**From Our Own Correspondent.**

MONTREAL.—The Quebec Southern Power Corporation is to replace its existing Rawdon plant with a new development designed for a capacity of some 8,000 horsepower. The first unit of the new plant will be 2,800 horsepower and will be installed with the completion of the new development. A feature of the new plant is its low cost; the full total of 8,000 horsepower will be developed at a cost of only $75 per horsepower.

The expansion in the corporation's business has necessitated this addition to its capacity and the actual work is now under way. The Quebec Southern has also recently acquired further water power sites near this point on the Ouareau River.

The extensions being made at the Rawdon plant will give the corporation a total developed capacity of 6,000 horsepower from its three plants; undeveloped power sites provide the company with 16,000 horsepower to meet future power needs. The new construction assures a plentiful supply of power to the city of St. Jerome, which is showing an industrial growth.

Officials of the corporation state that the growth of the business has exceeded their expectations and that thus the construction programe on new transmission lines has been advanced considerably. Lines are now being erected to several municipalities which originally would not have received power until 1927.

## Some Dissatisfaction About 'Peg Power Deal

**From Our Own Correspondent.**

MONTREAL.—A writ, issued on behalf of Edmund I. Johnston and other ratepayers of the city of Winnipeg, has been served upon the officers of the city of Winnipeg, the Manitoba Power Company and the solicitors of the city and power company.

This is the preliminary legal step, taken by a group of Winnipeggers, to attempt to block the power deal recently ratified between the city and the company. It is said that the courts will be asked to quash the by-law of the city of Winnipeg authorizing the purchase of power from the Manitoba Power Company. This involves an expenditure of some $4,375,000 over a term of years.

Those attempting to block the deal say that it is illegal without the endorsation of the ratepayers, but, even presuming that the plaintiffs be successful in their attempt, the city council is in favor of the power contract and could no doubt, obtain the necessary legislation from the provincial legislature to allow the deal to be consummated. In any event, the vote of the city council would indicate that the majority of the ratepayers are in favor of the purchase of power from the company.

## Fall Business in Steel Expected to be Healthy

Producers and consumers of steel are laying plans for fall operation which indicate a continuance of the present fairly heavy movement of material, says Canadian Machinery.

Due probably to uncertainty of price movements, and the fact that summer contracts are not yet completed, buyers are moving slowly in the matter of specifying their wants for the rest of the year. From present indications, there will be considerable expansion of activity in many branches of industry.

For instance, the John Inglis Co., Toronto, have orders for three 18,000 h.p. turbine units for the Hydro-Electric Power Commission of Ontario for the Nipigon, six turbines for Backus-Brooks Co., totalling 18,000 h.p., and one turbine of 13,000 h.p. for the Ontario Paper Co., Thorold.

The same company has orders on its books for Erie City vertical water tube boilers totalling 4,510 h.p., as well as considerable smaller business.

Some large structural steel business is in prospect. Pig iron buyers are interesting themselves more actively in their requirements for the rest of the year. The position of sellers who have been predicting early advances is strengthened by reported firmness in the American market.

### "Jamaica" Earns More

The Jamaica Public Service Company reports gross earnings of $53,607 for July as against $51,787 in the corresponding period of 1925. Net earnings are shown at $21,301 as against $19,363; and surplus after charges, at $15,049 as against $12,825. For the twelve months ended July 31, 1926, gross earnings are shown at $642,390 as against $600,017 in the preceding year. Net earnings are shown at $245,204 as against $206,660, while surplus after charges appears at $169,789 as against $125,934.

## Canada Life to Extend Operations to New York

New York State has granted the Canada Life Assurance Co. a license to do business in New York. Negotiations for the entry of the company in the state have been under way for several weeks, during which an examination of the company was made, and a number of technical changes to meet the requirements of the insurance law were carried out.

No announcement has been made as to the company's plans for conducting its business in New York. A large line of reinsurance is already carried on New York business, and it was this fact which chiefly motivated the application for entry. Those companies which had reinsured with it were not permitted under the insurance law, to take credit for the reserves on business ceded to reinsurance companies unless such reinsurance companies were admitted to the state. The result was, that, as its reinsurance business expanded, the companies which reinsured with it found heavy demands were made upon their surplus.

T.G. McConkey, general manager of the Canada Life, will go to New York about the first of October to make plans for opening an office to represent his company. Mr. McConkey is at present on a trip to the western part of the Dominion. What the company plans to do in opening up its new territory has not yet been announced.

**Woman-Red Lake Gold Syndicate**

**PROPERTIES (3 Select Groups) LOCATIONS**

***Red Lake-Woman Lake-Narrow Lake-latest of Canada's remarkable mineral districts-presents unrivaled opportunity for wealth in next few years.***

**Group No. 1.**—360 acres situated in the Woman Lake Camp (9 claims) and known as part of the Tommy Powell "original stakings," and described by the Toronto Star as a "big" quartz Dome bristling with gold.

**Group No. 2.**—(240 acres) 6 claims adjoining the Howey and the Buffalo Prospectors in the Red Lake Camp. The proven developments in this area go far towards establishing the future of this camp.

**Group No. 3.**—(200 acres) in the Narrow Lake section is situated in the centre of the several, more recent, gold finds of interest. Spectacular free gold finds of amazing richness, and proportion, astounding, indeed, to the mining world.

This Northern Ontario's big new gold camp has been pronounced by eminent engineers as the biggest discovery in Canada since Porcupine. Some of the largest mine operators in America are interested in this field, on present showings several big gold mines should develop, and among these will be Woman-Red Lake Gold Syndicate, we fully believe.

***Final Offering -500 Units only, at $35.00 per unit***

**Woman-Red Lake Gold Syndicate**

**Easton Shaw**
NEW YORK
280 Broadway

1503 Royal Bank Building
TORONTO, ONT.
Telephone: Adelaide 4293

**SOUND SHORT-TERM BOND INVESTMENT**

**7% INTEREST and BONUS OF COMMON STOCK**

The favorable trade treaty recently signed between Canada and the West Indies assures continued and increasing growth of trade between the two countries. As the largest enterprise engaged in this trade, it is inevitable that the Canada-West India Products Corporation Limited will participate in the largest measure in this natural expansion.

**BONUS OF COMMON STOCK HAS GREAT POTENTIALITIES.**

The large bonus of common stock alloted to subscribers of this issue of 7% bonds, will therefore give to investors the chance to obtain considerable additional profit in excess of the 7% yield.

***NEW ISSUE***

**$300,000**

**Canada-West India Products Corporation** LIMITED

(Incorporated under Dominion of Canada Charter)

**7% Five-Year Collateral Gold Bonds**

*To be dated Sept. 1st, 1926, maturing Sept. 1st, 1931, payable in Canadian Gold Coin at the Canadian Bank of Commerce, Montreal, Canada, or at its branch in New York, United States of America, in United States Coin, or its equivalent, or at its branches at Kingston, Jamaica, and London, England, at the rate of $4.86 2/3 per pound sterling. Interest payable semi-annually March 1 and September 1. Denominations $1,000, $500, and $100 with the privilege of registration as to principal. Redeemable as a whole or in part at the Company's option, on any interest date at thirty days notice, at 102 and accrued interest. Secured by way of a floating charge on all the assets of the Company, present and future.*

Head Office:
MONTREAL

Trustee:
QUEBEC SAVINGS AND TRUST COMPANY

Office, Plants and Warehouses:
KINGSTON, JAMAICA, B.W.I.

**CAPITALIZATION**

(On completion of this financing)

| | Authorized | To be issued |
|---|---|---|
| 7% Five year collateral Gold Bonds | $500,000 | $300,000 |
| 7% Non-Cumulative preferred shares, $25.00 par value | 300,000 | 150,000 |
| Common stock no par value, given a nominal value of $1.00 per share | 200,000 shs. | 200,000 shs. |

150,000 shares held in escrow as per contract.

*For detailed information refer to the within letter of Mr. P. R. Cumming, President of the Company, from which we summarize:*

**THE COMPANY:** The Canada-West India Products Corporation Limited was incorporated for the purpose of acquiring the business and interests of the Canadian Suppliers Company Limited, and the West India Fruit Company, with head-office in Kingston, Jamaica, and sales offices in Montreal. The purchase includes all the assets, goodwill, contracts, and established trade-marks of these companies, which were organized by Mr. P. R. Cumming as a private concern, six years ago. The Canadian Suppliers Company Limited was incorporated under Jamaica Charter on May 1st, 1925, with Mr. Cumming as president, and has shown an increasing and profitable growth.

For the year ending April 30th, 1926, after payment of overhead, taxes, bank interest and all other charges, the Company was able to pay a dividend of 10% on the outstanding capital stock of $70,000.00 and carry forward a substantial surplus to reserve account.

**PURPOSES OF ISSUE:** This issue of Bonds will be secured on all the assets of the Corporation, by way of a floating charge, and will provide funds primarily for working capital and to develop and extend the business of the Company to British Guiana, the Bahama Islands, British Honduras, and Canada; to provide for the erection of modern packing plants in Jamaica, and enabling the proper grading, wrapping and packing of citrus fruits (Grapefruits, Oranges, Mangos, etc.); the canning and preserving of tropical fruits, such as Pineapples, Guava, etc., and for the manufacture of Coconut Oil, Copra and desiccated Coconut; the grading, curing and packing of Coffee, Cocoa Beans, Pimento and Ginger; the undertaking and assets of the Companies taken over by the Canada-West India Products Corporation, have been acquired for preferred and common shares of this Company.

**TRADE PREFERENCE:** All the products referred to, enjoy under the recent Canadian West Indian Trade Treaty (now confirmed by all the Governments concerned), entry into Canada free of Custom Duties, as against a Customs Tariff from other countries of 3c. per pound on Coffee, 2c. per pound on Cocoa, 70c. per box on Grapefruit and 12½% on Ginger, etc. Since Canada alone now uses about 360,000 boxes of Grapefruit per year and the trade is rapidly increasing, the opportunity thus offered this Company is a wide one.

Canada is today a purchaser of tropical products to the extent of over $100,000,000. annually, 75% of which Jamaica, the West Indies, and British Guiana can supply. While up to the present time 65% of this trade was transacted in the United States, the new Canada-West India Treaty will now enable the West Indies to capture the bulk of the Canadian Market for tropical products. The Canada-West India Products Corporation Limited will be in a strategic position to handle by far the largest shares of this business. In addition, the Company represents in the Island of Jamaica upwards of thirty Canadian Exporters and Manufacturers, among which are some of the largest in the trade and several are substantial subscribers to this issue.

**EARNINGS:** It is conservatively estimated that with the additional capital provided by this issue of securities, the business of the Company during the first year of operations should exceed $3,000,000. Net earnings during the first year should amount to not less than $100,000, or nearly five times the interest charges, leaving a substantial surplus available for dividends on the common Stock. The business of this Company is similar in character to that of the United Fruit Company of the United States, and in proper proportion should obtain the success enjoyed by that Company.

**MANAGEMENT:** The direction of the business of the Company will remain in the hands of the present management, Mr. P. R. Cumming, under whose direction the present business was started and developed and who played a large part in the negotiations of the new Canada-West India Trade Treaty, will be one of the Chief executives.

**CANADIAN IMPORTS** from the West Indies: Coffee, Cocoa, Ginger, Pimento, Essential oils, Grapefruit, Oranges, Pineapples, Coconuts, Sugar, Molasses, Rum, etc.

**CANADIAN EXPORTS** to the West Indies: Flour, Fish, Canned Goods, Hardware, Refrigerators, Enamelware, Steel, Bar Iron, Wrought Iron Pipe, Nails, Wire, Furniture, Lumber, Box Shooks, Paper, Cement, Machinery, Sewer Tile, Cheese, Butter, Biscuits, Boots and Shoes, Rope, Twine, etc., etc.

*Legal matters in connection with this issue have been passed on by Messrs. Beique & Beique, Advocates, Montreal.*

**Price 100 and interest, carrying a bonus of 10 shares of common stock no par value with each $100 par value of bonds.**

**Purchasers will also receive a right certificate entitling the holder thereof to subscribe on or before the 1st day of March, 1931, for 15 shares of no par value common stock for each $100.00 of Bonds, payable either in cash or in bonds.**

**Interim receipts will be issued pending delivery of permanent coupon bonds.**

ESTABLISHED 1910

**Crédit-Canada, Limitée**

**Investment Bankers**

**120 St. James Street, Montreal**
**Telephone MAin 4191★**
**88 St. Peter Street, Quebec**

The foregoing information while not guaranteed, is secured from sources which we believe to be reliable.

FOREIGN EXCHANGES

## Sterling Has Heavy Burden to Carry

Conducted by S. J. ZACKS.

The week in the foreign exhanges was marked by a more settled condition in Europeans. There was little net change in the close of any of these this week over last week. Sterling, however, was soft and went fractionally lower, while the ascent of the Japanese yen was rapid.

Sterling's decline appears menacing. The failure of the employers to accept the government's plan for a national agreement on the coal strike has, no doubt, helped to soften sterling. Recent forecasts in England by prominent business men all indicated trade revival this fall, following upon strike settlement. Many of these had anticipated a settlement by the middle of September. Needless to say, there is disappointment. In addition, the heavy seasonal commodity imports are now felt. On top of this, it looks as if there will be more bills on London for American coal, which will mean further pressure on sterling. Last year considerable gold was sent to New York from London, and many expect a similar movement this year.

The strength of Japanese yen, which is now slightly over one cent below par, has been brought about largely by speculation. The Japanese government is committed to a programme which will return the yen to par this year. The financial policy of the government has been such as to restrict public financing as much as possible to domestic markets, and reduce foreign loans to a minimum. Chinese interests, too, have been heavy buyers of yen, having simultaneously sold Hong Kong. Japan's foreign trade figures have been less favorable than those of a year ago. The steadily rising yen has tended to stimulate imports and depress exports. Yen receipts for silk exports, too, have fallen off. Silk export usually represents 1/5 the value of total exports.

There has been a marked undercurrent of strength in the Belgian franc. Statements of Belgium bank show a continued accumulation of foreign currencies. This is in keeping with stabilization plans.

The premium on U. S. funds went off ⅛%, a new high in recent months. The premium on U. S. funds has hovered about 5/32% for some time. Falling off in tourist traffic is one of the factors making for strength in U. S. funds.

### NEW YORK FUNDS

| | High | Low | xLast Year High | xLast Year Low |
|---|---|---|---|---|
| Sept. 9 | 9-64 | 5-32 | 1-32 | 1-32 |
| Sept. 10 | 9-64 | 5-32 | 1-16 | 1-16 |
| Sept. 11 | 9-64 | 9-64 | 3-32 | 1-16 |
| Sept. 13 | 9-64 | 9-64 | 1-16 | 1-64 |
| Sept. 14 | 9-64 | 9-64 | Par | Par |
| Sept. 15 | 1-8 | 9-64 | Par | Par |

xPremium.

### STERLING, FRANCS AND LIRE

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| Sept. 9 | 4.85 3/16 | 2.86½ | 3.57¼ |
| Sept. 10 | 4.85 3/16 | 2.89½ | 3.62¼ |
| Sept. 11 | 4.85¼ | 2.90 | 3.60½ |
| Sept. 13 | 4.85 3/16 | 2.85¼ | 3.58¾ |
| Sept. 14 | 4.85⅛ | 2.85½ | 3.60¼ |
| Sept. 15 | 4.85⅛ | 2.84¾ | 3.64¾ |

### FOREIGN EXCHANGE

| Par | | Sept. 8 | Sept. 15 |
|---|---|---|---|
| 19.30 | Italian | 3.60½ | 3.64¾ |
| 32.45 | Brazil | 15.31 | 15.30 |
| 23.82 | German | 23.81 | 23.81 |
| 19.30 | Belgium | 2.73 | 2.74 |
| 84.85 | Japan | 48.21 | 48.44 |

### RAILWAY EARNINGS

Canadian Pacific

| Week end. | 1926 | 1925 | Change |
|---|---|---|---|
| Sept. 7 | $3,664,000 | $3,120,000+ | $544,000 |

Canadian National

| Week end. | 1926 | 1925 | Change |
|---|---|---|---|
| Sept. 7 | $4,984,117 | $4,450,379+ | $443,738 |

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# Saskatchewan

IN CREATING world records and in consistently beating her own achievements Saskatchewan more than any other Province or State of North America is now holding the eyes of the world.

**Saskatchewan** marketed 240,551,000 bushels of wheat in 1925 and a total grain crop of 454,530,000 bushels–producing a revenue of $125,000,000 greater than the previous year.

**Saskatchewan** province alone in 1925 produced 58 per cent. of the Dominion's wheat, and her total agricultural wealth in that year's balance sheet was $1,750,000,000.

**Saskatchewan's** revenue from Dairy products alone in 1925 amounted to $25,000,000; from farm animals $12,000,000. This province leads the Dominion in draft horses–its prize winning records being on a par with its honors in wheat.

**Saskatchewan's** wheat winnings are a world's record. Eleven times out of the fourteen in which the Province entered for competition, Saskatchewan captured the world's Wheat Championship.

Saskatchewan —according to the "Financial Post," means **the greatest purchasing power focussed in one conveniently covered marketing centre in Canada.** 833,000 people have made their homes in this province, and their numbers are increasing daily. Saskatchewan is unquestionably the commercial "high spot" of Western Canada.

**Western Canada beats all Canada in per capita wealth and Saskatchewan tops the list in western Canada.** There is a concentrated buying power in those eight-hundred-and-thirty-three-thousands equal to the best in any zone of the Dominion, and in the world today there is no market more assured of steady expansion and perpetuity.

To secure the ultimate in this great market at the least outlay of time and money use the selling force of these Saskatchewan publications with a combined net paid circulation of 85,000. They completely cover the Province of Saskatchewan at an inclusive cost of 37 cents per agate line.

Saskatchewan's Four Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum Concentration, Tremendous Buying Power, and Complete Coverage in this great market at an unusually low outlay.

SASKATCHEWAN
"THE WORLD'S WHEAT BIN"

**LEADER POST—Daily**
Regina

**PHOENIX STAR—Daily**
Saskatoon

**SASKATCHEWAN FARMER—Semi-Monthly**
Regina

# THE FINANCIAL POST

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**THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.**

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

## The Financial Post's Platform for Canada

*Promote national unity.*
*Reduce taxation; curtail public waste.*
*Conserve Canadian resources for Canadians.*
*Develop production and manufacturing to the highest point in Canada.*
*Settle our vacant lands.*
*Encourage individual initiative.*
*Induce and protect investment of capital in Canada.*

TORONTO, SEPTEMBER 17, 1926

### HARMONY AND GROWTH

THE Toronto Globe seems to have broadened out of late. Many of its erstwhile friends, frightened or disgusted by its ridiculous excursions into pseudo-Socialistic and uplift fields, may soon be won back to their former Bible if it continues to gain in common sense as it has of late.

The Globe commends John M. Taylor, president of the C.M.A., for his appeal for a balanced growth of farming, transportation, commerce and manufacturing in Canada.

"Let us preserve and develop our manufacturing industries," Mr. Taylor had said to his audience of industrial leaders, "not at the expense of others, but in proportion to and in harmony with them."

To which the Globe adds the comment:

> "This statement lays down so clearly the proper basis for the country's progress that it cannot be repeated too often or in too many places. It is unfortunate that the point made is not always accepted as the basis of growth or as representative of the aim desired. If it were, there would be fewer conflicts between classes, sections and industries, less suspicion and less ill will. Tariff, transportation rates and laws in general would be framed as the result of a general survey, instead of being the outcome of interested dictation; politics would reach a higher level, because the motive would not exist to play one interest against another."

### KEYNES ON REPARATIONS

JOHN MAYNARD KEYNES is well known to Canadians, first as the author of several outstanding economic works, and second, as the author of a serious libel on Canada's gold mining industry. Forgetting the latter, and remembering the soundness of his predictions as to the economic consequences of the peace, Keynes' views on reparations may be worth looking over. Keynes contributes an article to the current weekly Nation on the progress of the Dawes reparation scheme. He estimates that up to the present time Germany's payments under the Dawes plan to the amount of £100,000,000 have been provided mainly by foreign lenders, chiefly the United States.

Thus, he argues, reparations and interallied debts are being settled mainly in paper, not in goods—America lends to Germany, Germany transfers the equivalent to the Allies, and the Allies pay it back to Washington—nothing real passes and nobody is a penny the worse.

Remarking that sums written on paper mount up heavily at compound interest, Mr. Keynes asks how long the game can go one. The answer, he says, lies with the American investor. The more cancellation is talked of, he says, either foolishly or wisely, the better it is for an ultimate understanding.

But, he adds, the moment cancellation becomes unavoidable a burning issue of practical politics will flame up and that moment will be when the circular flow of paper is impeded and the artificial equilibrium broken.

It will be for the American investor in due course to give the word, and for the American public to find the solution, concludes the economist.

This is neither definite nor promising. But there is little definite or promising in either the reparations or war debts questions. In the meantime, Canada, powerless to do much to solve either question, loses in both, for its foreign markets are kept from stability.

### "WHEN IN ROME—"

THOSE who are anxious to maintain for Canada the Imperial connection, see in inter-Empire trade one of the strongest links in the chain that holds the nations of the Empire together. Canada has done more than any other single part of the Empire to facilitate and enlarge Imperial trade and its system of preferential tariffs, has not without large cost to Canada, forged heavily these trade links.

No system of trade preferences, however advanced, can win for any one nation any other empire market if common sense business and selling methods are not adopted. We hear often of British manufacturers trying to sell their goods in Canada and giving up the attempt in high indignation when they find that Canadians do not rush to buy their goods. Usually the trouble is so easy to locate that no scientific analysis is necessary. Almost invariably the failure to make headway here is due to the lack of adaptation of the British product or British selling methods or both to Canadian conditions.

It must be admitted that more British firms are succesful in the Canadian market than finally lose out, but much annoyance and ill feeling is caused by the few occasional ill advised and badly managed campaigns, many of which have been given undue publicity.

To sell in Canada, they only have to sell as Canadians do.

### WHAT! NO INSTRUCTION?

CANADA has the largest fuel resources of any country in the British Empire. With the present strike situation in Great Britain, next winter, Central Canada must look to the United States to supply coals both for domestic and industrial purposes.

Coupled with this is the distressing position occupied by most of the coal operators in this country, despite the fact that the coal fields of the Dominion are counted one of its greatest natural resources. All agree that something should be done to relieve this situation, either by a greater use of our own coals, or by coke ovens which would enable a more economic use, without increased cost to the consumer, of Canadian coal.

In view of the fuel situation as it exists to-day, there are many who are looking to the Canadian universities for a lead to the more economic use of Canadian coals. Thus it seems strange that neither of the great Canadian Universities—McGill or Toronto—has a department which interests itself in the economics, combustion and processing of all types of Canadian fuels.

Such a move on the part of any of our universities would be welcomed, without doubt, not only by business interests who would be assisted in solving their fuel problems, but also by the man on the street who would see a beginning made in solving the intricate fuel problem of the whole Dominion.

### COLLEGES AND BUSINESS

SIR ROBERT FALCONER, in an address last week on "Education and Progress," made an appeal to business men that might well be broadcast throughout Canada. He said: "If we are to prevent the migration of our university graduates across the border, there must be co-operation between the business men of the community and the university."

This is a sentiment that we would like to hear emphasized and put into practice in the business world. There are a great many business men today who are out of touch with the developments in higher education during the last few years, and who are ignorant of the definite steps that are being taken in our universities to meet the needs of commerce and the professional industries. The wave of labor emigration to the United States has been materially decreased, but there is still a heavy annual toll among our university graduates who are eagerly sought by enterprising executives across the border. Responsibility rests with the business community to co-operate with the universities and to do everything in their power to prevent this leakage of our man-power.

On the other hand, universities must continue to sharpen their contact with practical business problems and to reconcile freedom of thinking with common sense when business is the objective in any student's university career.

### COSTS THE KEY

THE value of systematic and scientific cost accounting is becoming more and more appreciated by the Canadian industrial community. Its importance is being recognized, and its usefulness is admitted.

Cost accounting has to deal with problems which vitally affect business prosperity, not merely the prosperity of the individual business, but the prosperity of the country at large.

These problems, unknown many of them to the business world a generation ago, have now acquired a particular interest to those who have to meet the keener competition of modern business life.

The changes brought about by extended credit, improved transportation facilities, wider markets, more rapid production and mechanization of industry have all brought into being new problems, which can only be solved by modern methods of cost control.

The recent cost convention, held in Toronto by the Canadian Society of Cost Accountants, was a step forward by Canadian business men. It was attended by many cost accountants, the intelligence officers of business, and proclaimed Canada's independence in the matter of scientific cost accounting.

One of the main objects of the society is to develop and foster in commerce and in industry a wider knowledge of the practical utility of modern cost methods. This aim is of interest to every business man who desires not only to know his own costs, but to be assured that his trade competitor also knows his. There is no form of competition so deadly as the competition of an opponent who has little or no idea of his cost of production.

The society is doing good work for Canadian commerce and industry.

### SELF-SUPPORTING SALESMEN

THE Nation's Business, published in Washington, is somewhat inclined to sneer at the proposal that Canada should set up a system of requiring invoices to be vised by an accredited officer of the Dominion government in the countries of export, for all shipments of $100 and more.

Referring to the largely increased number of trade commissioners that would be necessary, the Nation's Business says "Government grows and grows and grows."

The system suggested for Canada is virtually a copy of that now in force in the United States. Shippers in other nations exporting goods to the United States are required to get their invoices vised by an American consul. The consul charges a fee for the service and the fees received give the American consular service such a revenue that it is possible to have American trade agents stationed in every nook and corner of the Globe without undue expense to the American taxpayer.

Canada has a handful of trade agents scattered throughout the world, and each covering one, some of them dozens of countries. They are paid small salaries; get meagre expense allowances and are up against many difficulties in attempting to establish Canadian merchandise in highly competitive markets.

Business men join with the Nation's Business in protest against unnatural growth of governmental activities, but they want to see the government grow as the country's business demands it. It is the opinion of many of those who are contributing most heavily to the country's production and foreign trade that our trade agency system abroad has not grown with the country's trade. It may indeed be that a system that will make the trade service virtually self-supporting will make the larger service possible.

### EDITORIAL NOTES

OF COURSE you guessed how the election was going to go.

* * *

IT LOOKS like a cold winter. Heavy underwear sales show an increase.

* * *

THEY'RE always hitting at our markets. "Woollen fur" is now all the rage in the States.

* * *

CHURCHILL demanding a strike settlement is typical of Churchill, but he is no Mussolini.

* * *

THE MAN who plunged $10,000,000 on Consolidated Smelters at the market said "Zinc or swim."

* * *

SIR HENRY DRAYTON showed the right spirit when he said, in effect, "Since the Liberals have won, I'm glad they won by enough to command a stable majority."

* * *

ONTARIO people are beginning to find out how onerous their second income taxation is. For the average salary earner, whose municipal income tax was formerly less than the federal tax, the position is now reversed.

* * *

A REPORT on United States immigration says:

> "Canada and Mexico continue to furnish the bulk of our immigration under the new restriction act, neither country being subject to quota restriction. Immigration from Mexico appears to be increasing, that from Canada declining, as far as the past two year's figures indicate. Canada during 1925-26 contributed in excess of 91,000 immigrants, about 9,000 less than the year before, while Mexico sent 43,316, or about 10,000 more than the year before."

## Fifteen Years Ago

**Extracts from Files of The Financial Post.**

Manitoba and Saskatchewan expected to produce 130,000,000 bushels of wheat.

Canada strikes moderately hard times.

Winnipeggers buy Winnipeg Electric stock. Bid of 236½ brings out no stock.

F. L. Culver, president of Beaver Mines reports active operation.

McIntyre Porcupine reports 100 men on pay roll.

# College Training Not Key to Success When Ability Not Present

By E. H. MORROW,

Head of Department of Commerce, University of Western Ontario, London, Ontario.

WHAT alchemy is there in a college course to make a salesman? Or, why should any business executive expect a man to be a successful salesman merely because he has been to college?

These questions are prompted by a statement to the effect that "as salesmen in real estate, and other fields, the Canadian University graduate has not been an unqualified success," which appeared in a recent article in The Financial Post.

In the same article recurs the old question, "are salesmen born or made?" To this I can give no answer, but as the result of some years of experience I can positively say that salesmen are not made in college. Any businessman who thinks that a college course should make a salesman or any institution which promotes a thought misunderstands the functions and objectives of a business training in a university.

### Raw Material Must Be Right

In the first place a college course can advance a man little if anything beyond the capabilities with which he enters. The prime essential for a successful graduate is a successful freshman; and for this reason initial selective measures are all important when admitting entrants to a business curriculum. If emphasis is to be placed upon the graduate who will make a salesman, then the emphasis of admission must be such as to favor the freshman who will make a salesman whether or not he takes a business course in a college.

This sounds like a contradiction and appears to answer the question "is a salesman born or made?" Within limits, perhaps, it is safe to say that a salesman is born, for experience leads one to believe that there come to college at least two distinct types of undergraduates, namely, those who may make salesmen and those who most assuredly will not. The latter type is usually distinguished by his abnormal reserve and by a reluctance to express himself which almost amounts to an inability to do so. This kind of a man, often admirably adapted for positions requiring technical knowledge or calling for hardness of character, is commonly known as the "factory type" to distinguish him from the "salesman type" an individual of buoyant temperament, quick to express himself and generally a good mixer. As far as my experience goes it is dangerous to attempt any classification of students beyond the above broad lines. Attempts at further classification lead to mistakes in judgment and to the danger of giving wrongful advice.

### Qualities Good Salesman Needs

When we say that a boy is a salesman type, however, we are far from saying that he will make a good salesman. At best, it means only that he has in his make-up the basic qualities of a good salesman—an ability to get on with others and a gift towards expression.

A good salesman needs other qualities, notably moral character, determination, mental alertness and a capacity for hard work. These at least the college graduate should have—otherwise he should not graduate. In addition a salesman should have a sympathetic feeling towards his fellowman, a mind able to put itself in the other fellow's place, sensibility to the thoughts of others and quick perception in realizing the different phases of a sales situation. How is one to judge these qualities in an undergraduate? I must frankly admit that I have so far been unable to discover a formula to classify students thus closely, and for that reason I have always tended to suspend judgment till actual experience on the job has proved a graduate to be a salesman.

But, granted that a student has all the qualities, should a college course graduate him as a "good salesman?"

This leads us to the definition of what constitutes a "good salesman." The only definition I can give is—"a man who can sell his wares in satisfactory quantities." Perhaps this definition will be inadequate to many, but we all can agree that from the employer's angle it is at least to the point.

Then what is there in a college course that will teach graduates to sell the wares they will handle in quantities sufficient to deserve the appelation "a good salesman?" Nothing! or let us say nothing, in the type of course developed by those universities which seek to equip a graduate so that the years to come will requite him for the time and money spent in securing an education.

### Different Kinds of Salesmanship

It must be realized that selling goods is a technical undertaking wherein actual experience alone will bring the knowledge necessary to spell success. Moreover, this technique varies with the goods to be sold. The selling of Fuller Brushes to the housewife, for instance, is an entirely different proposition to selling real estate to a businessman, or sugar to a retailer. In each case a different accumulation of facts is required, a different background or knowledge is necessary and a different approach must be used. All of which can be acquired by specialized study, training and experience. What opportunity has the average college to furnish this specialized training? None! unless it is prepared to constitute itself a training school for one or two individual concerns. What opportunity has a college to furnish the necessary experience. Again none! unless it is in the fortunate but unheard of position of acting as a distributing channel for one or more lines of goods.

### Not Part of College Training

True it is, that in a few instances colleges have an opportunity actually to practice their students in the art of salesmanship. The Fuller Brush Company, the MacLean Publishing Company and the Canadian Aluminum Company, notably use undergraduates as salesmen during the summer months. In each, a short intensive course of instruction is provided. But this reaches only a few and gives them a limited road experience helpful in securing permanent employment after graduation. Rather than being considered a definite part of college training this experience, secured by a fortunate few, is an advance installment of the apprenticeship which precedes the development of any good salesman. And even at that it is experience in highly specialized lines and in high pressure salesmanship.

Hence, it is not an anomaly that a businessman should complain because "the college man is not a successful salesman." Why should he be so? No one would look for a good mechanic among a group of boys who had served no apprenticeship. Would anyone expect a good surgeon from a medical school without clinical or dissecting facilities? Why then should an employer expect to secure good salesmen from college? The applied sciences and medicine are in a position to supply practical as well as theoretical training. In some phases of business, such as accounting, it is also possible to provide practical work for the undergraduates. The very conditions of selling, however, make it impossible to give students sales experience and the delicacy of the sales relationship makes it improbable that firms will ever consent to applying the principle of co-operative students in the sales end of a business.

### Business Must Teach Salesmanship

Salesmanship, like all other technical arts of business, must be learned in practice, and it is the function of the business and not of the college to teach it. In this as in all practical respects the rise of the commerce course in the university has in no whit removed from the shoulders of business the burden of training its neophytes. In its relation to business, the average college offers a selective rather than a teaching service, and when the employer engages graduates as salesmen he needs to exercise the same discrimination as when engaging salesmen under ordinary circumstances. He must expect somewhat the same percentage of error.

This does not mean that a college training will not help in the making of a good salesman. Certainly, it will help, provided that the training is grafted onto the right type of man and that sufficient time is allowed for his theory to be mellowed and tested by experience in the field. A proper business training inculcates a power of analysis; it impresses upon the salesman the necessity for reasoned judgment; it gives him poise: it teaches him how to go about the slow process of preparation; it gives him a wide background pertaining to the general field of marketing and a realization of the broad problems faced by his superiors. All these things are eventually learned by any good salesman, but arduously and through slow process of time. The college man, presumably knowing it all before he starts into actual practice, enjoys an advantage which should enable him to sell goods earlier in his career than otherwise would be the case.

### Does College Pay for Salesman?

There is another aspect which makes it doubtful whether a university should even attempt to teach salesmanship in a practical way. With us a boy spends five years acquiring an education after he matriculates. This involves a large expenditure of time and money—especially so when we consider that this period substitutes for five years of possible experience and earning power. The university course must, therefore, direct its efforts towards so training men that in later years they will have opportunity to reap dividends on the time spent in college. On the average the field of pure salesmanship does not offer monetary returns sufficient to compensate for the energy and money devoted to advanced education and the college man becoming a salesman should look forward to the day when he will hold a position of executive responsibility.

Business courses are designed towards equipping their graduates so that they will make successful executives after they have served their time in the lower ranks. Only by so doing can the college offer its graduates the hope of eventually turning their education to material advantage. A good salesman will not necessarily make a good executive. Therefore, it is incumbent upon college authorities to graduate only those men who show promise of reaching the higher ranks in business. The college, furthermore, should develop its resources to this end and should avoid any tendency to give technical training better given by business itself.

The employer, on the other hand, should not expect too much from the newly fledged graduate. He should realize that from the point of view of immediate usefulness the university man is not much further advanced than is the new man who has not gone to college. He has to be trained and encouraged in the same way and with the same patience. But if the employer has secured his employee from a university, the chances are that he has obtained a selected man, equipped with a background and urged by a mental curiosity which will develop the graduate into a valuable employer and eventually into a valuable executive. Under the best of circumstances, however, there are sure to be misfits as the selection of men is no easy task. In the end the effectiveness of the university as a medium for training businessmen will depend upon averages and not upon poor or brilliant men here and there.

### Some Should Not Go to College

It may be argued that a college training will make even a mediocre man better. True! But will it make him enough better to warrant the time and money spent on his education? If not, we may question the advisability of attempting to further educate the boy who, by nature, is equipped only to remain in the lower ranks of business. While many students throng our college halls, it can hardly be claimed that general education has reached this stage. Advanced teaching is costly to the individual and to the public which has a right to expect returns for the money spent. Hence the college should educate only the men who show promise of *making* this return and in *fairness to* the student himself he should not be encouraged to an outlay the reward for which he is not likely to attain.

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* The co-operative principle in business training consists in duplicating the course every four weeks and in pairing students so that between them they can secure their education and also carry a full time job. While one student is on the job his co-operative is in the classroom, and they change off every four weeks. This plan has been greatly developed at Antioch College.

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The West, and by that we mean British Columbia in particular, is developing rapidly. Property values in Vancouver shows a steady upward trend.

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*Investment Securities*

# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.**

## Gooderham and Worts

Would be glad to have your opinion of Gooderham and Worts new stock?

The new stock of Gooderham and Worts has had such a sensational rise since the "split" it must be regarded as having discounted a good deal of the improvement that has taken place. Its earnings are, as we have been given to understand, from authoritative sources, equivalent to 12 times the present dividend rate, and the current market price may be regarded as justified, but in the absence of any statement covering a complete year, under the new management it is impossible to definitely set a figure upon the intrinsic value of the stock.

## Standard Gas

**Would you kindly give me your opinion of the 7 per cent. prior preferred stock of the Standard Gas and Electric Company, which is listed on the New York curb?**

There are a number of points in favor of the 7 per cent. prior preferred stock of the Standard Gas and Electric Company.

In the first place the company is expanding rapidly, and is under the control of H. M. Byllesby & Company, one of the largest public utility holding companies in the United States.

Its earnings last year were sufficient to have paid the preferred stock dividend more than four times, which gives ample protection to the return from the investment.

The price is fairly well stabilized, and has varied scarcely more than an eighth of a point since January 1, on the New York Curb.

The return at present prices is approximately 6¾ per cent.

The security would seem to be a good type of public utility investment.

## Illinois Traction

I have received a letter from Chicago, suggesting exchange of 6 per cent. cumulative preferred stocks of Illinois Traction Co. for 7 per cent. preferred stock of Illinois Power and Light Corporation. As an alternative, they offer $100 a share for the stock. What is your opinion of this exchange.

We feel that holders of the 6% preferred stock of Illinois Traction Company would be wise either to exchange that stock for the 7% preferred stock in the Illinois Power and Light Corporation or accept the offer of $100 a share cash.

The new preferred stock seems to be well protected by the earnings now being shown and there is no reason why the investment should not to be continued and at the higher rate, but if the holder of the stock is not anxious to continue the investment then the cash should be taken, as it could readily be reinvested in Canada.

Our choice would be to make the exchange.

*Preferred Shares for Good Yields*

Experienced investors are buying the Preferred Shares of well-established Canadian companies, whose record of earnings conveys assurance of safety and future success.

Upon request, we will submit particulars of several attractive investments of this type.

Royal Securities
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Winnipeg Vancouver New York

## Bloor Building

I would be pleased if you can give me some information regarding United Bond Company. They are issuing a 7 per cent. bond secured by a mortgage on the Bloor Building, Toronto. Can you find out if there is any mortgage on the land outside of the mortgage which guarantees the bonds?

The mortgage that is security for the bonds of the Bloor Building, Toronto, is a first charge upon both land and buildings.

We consider the investment reasonably well secured, and satisfactory for the ordinary investor.

The United Bond Company is thoroughly reliable.

## Art Stone Company

I am enclosing a booklet on the Art Stone Company. Do you think it would be wise to take shares in this thing?

What is meant by vendor stock?

I have government bonds to cover the "nest egg" and thought perhaps this stock would be attractive as a speculation.

We would consider the stock of the Art Stone Company as very speculative, and hardly attractive enough for the ordinary investor.

Vendor - stock represents stock which has been paid to someone for assets, tangible or intangible, handed over to the company.

## Feldspar Company

What information can you give me concerning the Feldspar Co. of Canada?

The Feldspar Company of Oshawa is at present inactive, but we are informed by the president, W. J. McCallum, a barrister practising in Toronto, with the firm of Lamport, Ferguson and McCallum, that plans are to commence operations on November 1st, to manufacture glass bottles at the rate of 30 tons per day.

The company has at present about $600,000 of its million dollar capital stock outstanding. About $100,000 was spent on the plant at Oshawa, but operations have been curtailed through lack of working capital.

It is doubtful if any market could be found for this stock.

## Gotfredson Corporation

The writer purchased some shares of Gotfredson Corporation at $25 a share for it. Recently brokerage houses have been trading in this stock at prices ranging from $18 to $26 and as there have been no reports on recent earnings published, could you advise me if there are any conditions of which you are aware that would cause any fluctuations.

I have recently seriously considered purchasing more of this stock but before doing so would appreciate your opinion on it.

Our enquiries reveal no reason why Gotfredson Corporation shares should have declined from the original offering price of $25 a share beyond the fact that apparently no serious and concerted effort has been made to maintain an active trading market in the security.

The company's earnings are approximately on the basis of the estimate made when the security was offered. The company earned $2.45 per share in 1925, and while this is not enough to warrant the expectation that present dividend rate of $1.50 per share per annum will be early increased, it is at least sufficient to make continuance of this divident rate reasonably certain.

Earnings for the present year are stated to be approximately the same on somewhat increased sales.

For a while there was some doubt concerning Gotfredson Corporation, since the budget changes had an unfavorable effect upon the truck industry in Canada, but the recent correction of an omission in the budget regarding the duty on parts used in the manufacture of trucks, has improved the company's situation considerably.

There are those who consider the truck business in Canada on an unsound basis. Larger prices are being paid for used cars by some dealers and extended terms of payment are being allowed by others. It need not cause alarm to investors in such securities as Gotfredson, but it indicates a situation worth watching in order to see how the company handles it.

At any substantial discount below the original offering price of $25 a share, we would consider Gotfredson a good speculative investment.

## German Bonds

I attach some German bonds. Would you tell me if they have any value?

German bonds acquired prior to June, 1920, are to be revalued in December of this year by the German government and holders of such bonds should deposit them with the National City Bank, of New York, filling out a form which will be supplied by the bank on request.

German bonds of later issues may during the inflation period have practically no value except as currency and the value here is small because the German mark is exchangeable for the Reichsmark on the basis of 1,000,000,000,000 German marks for one Reichmark. The Reichsmark is selling practically at par and the present market value is in the neighborhood of 23 cents.

## A. W. Chase Co.

I have been requested to ask your opinion of the 8 per cent. preferred stock of the A. W. Chase Co., with a bonus of one share of common with each share of preferred. Do you consider the capitalization a fair one?

The preferred stocks of the A. W. Chase Company is a speculative, business man's investment, which we would recommend only to an investor with adequate reserves of other good securities, and then only for a small participation. The company's record has been decidedly satisfactory, and may even continue to show itself equally satisfactory or even better in the future.

The amount of preferred stock being issued is such that common stock can have only a speculative value. The capitalization is no doubt fair enough considering the prospective earnings, as estimated by the new group in control, but earnings will have to hold up to justify par for the preferred in the future.

## N.S. Steel and Coal

Please advise me of the prospects for the seven per cent. debentures of the Nova Scotia Steel and Coal Company. I am holding $2,000 of these, and if you can give me any advice as to the way they should be handled I should be obliged.

We would advise you to allow the debenture holders committee of the Nova Scotia Steel and Coal Company to look after your interests. The personnel of the committee are large holders of the security, and in the final forthcoming re-organization of the British Empire Steel Corporation, they will be the ones best equipped to safeguard your equity in the property.

Your letter refers to the 7% debentures of the Nova Scotia Steel and Coal Company; the debentures only bear interest at 6%. At the moment, there is hardly any market for these securities, and what there is ranges between 25 and 35. Ranking senior to your issue of debentures there is an issue of $5,000,000 in bonds; the amount of debentures outstanding is close to $5,000,000 also. Undoubtedly, when the British Empire Steel Corporation is re-organized your securities will be materially scaled down—you will probably have to take stock of some sort in exchange for your holdings.

Because of the large number of interests involved, it is impossible to say just exactly how the debenture holders of the Nova Scotia Steel and Coal Company will fare in the reorganization. On the other hand, of course, there is the faint possibility that your company will not pass into the hands of the receivers and that the interest payments might be met within a month or two. However, we cannot hold out much hope in this direction.

## Crosgrave's Breweries

I would be greatly indebted to you if you would answer me and other shareholders through your valued columns, as to who are the present directors of Cosgrave Export Brewery Co., where their head office is situated in Montreal, that is, street number; also date of annual meeting, and if there is any particular reason why they do not give the shareholders an annual statement of affairs.

Have endeavored to ascertain these questions directly, but always put off with an evasive answer.

The directors of Cosgrave Export Brewery Co., are as follows:

James S. Cosgrave, Toronto.
Norman L. MacDonald, Toronto.
Col. Stewart, Montreal.
L. E. Carroll, Toronto
R. O. Petman, Toronto.

The company's head office is now situated in Toronto, at the Cosgrave Breweries. Nominally, the head office is in Montreal, at the office of Vipond & Vipond, Transportation Building, but this is purely for legal purposes.

The company does not hold an annual meeting for the shareholders, in the ordinary sense of the word. The directors meet and hold an annual meeting, but apparently shareholders are not invited to it. The company issues an annual statement, but it does not send a copy to the individual shareholders unless they ask for it. You can obtain a copy by writing to President Cosgrave at the head office.

The last annual statement issued covers the year to August 31, 1925, and showed a surplus carried forward of $67,769 after paying $70,000 in dividends. This was a reduction from the surplus of the previous year, which stood at $76,437.

As to why the management treats the shareholders in the ways you have mentioned, we certainly are in no position to give you an explanation.

In days gone by, the shares were distributed amongst only a few shareholders; in the meantime the stock has become more widely distributed. Therefore, we imagine, that the difficulties which you have experienced have been due solely to the fact that there is always a certain inertia in human nature; thus the management has not yet changed a routine which worked well enough at the time the shares were all closely held, but which to-day only serves to cause friction between the company and its shareholders.

We have taken up the points mentioned in your letter with those who have a large interest in the company, and, we believe, if you write the head office again, you will be able to obtain a copy of the last annual statement. If you are not successful in accomplishing this, would you please write us again? We have copies on file.

## Empire Life

Would you be good enough to favor me with your opinion as to the financial standing of the Empire Life Insurance Co. I enclose their pamphlet for your perusal; it seems to me that salaries, commissions, etc., are very high in comparison to receipts.

I have been approached to take on a $5,000 16-payment 20-year endowment policy with this company. Do you consider there is any element of risk involved? I understand all insurance companies operating in Ontario are on an actuarial basis, but just what does this mean?

The Empire Life Insurance Company is one of the smaller and newer Canadian life insurance companies. It has made satisfactory progress and is under the management of a very able insurance executive in the person of M. P. Langstaff, its president and managing director, and its prospects are satisfactory.

A young life insurance company always faces a very heavy expense ratio, but on the other hand the death losses are always low. One item offsets the other, giving the company an opportunity to build up reserves, to restore the proportion of the premium on the capital stock that goes into the expenses of the early years and to build in financial strength.

The company, being under the jurisdiction of the Ontario government and therefore being on a sound actuarial basis, may be regarded as safe to insure with.

The sixteen payment, twenty year endowment policy which they offer, varies somewhat from the ordinary twenty year endowment policy. It offers one benefit in lower rates, but you pay for this by having your dividends deferred for twenty years. At the end of the twenty years, if the policy is still in force or becomes a claim at that time or after, your dividends will all come back to you, but should it become a claim in the earlier years your dividends are not received.

There are many variations of the ordinary life insurance policies. It is impossible to forecast how any one of them will work out as the final results are as uncertain as life itself. One thing may be taken as certain though that you pay for the protection you buy in insurance and if you are buying insurance with the low premium rate you are giving up something else. This policy has advantages for a person wanting to buy a large amount of insurance without heavy premium payments at the start and it is to meet the needs of such people that most of the companies have worked out variations of their policies that reduce the early premium rate and defer the dividends.

## As Others See Us

### We Evidently Started Something

Listowel Banner: The Financial Post says: "Mark the town of Beaverton on your road map. It is one of the few Canadian towns where the roads in the town are better than the highways leading to it." If Beaverton is better qualified in this regard than Listowel it will have to go some. If the town of Listowel had approaching highways half as good as the streets in town we would consider ourselves very fortunate.

### This Makes Us Blush

Alliston Herald: The Financial Post, which is just about perfection in impartiality in its discussions of the political issues observes that the one paramount desire of the Canadian people, namely tax reduction, is being ignored by both political leaders. It states also that free trade is an orphan in this campaign. The premier and the late premier are both resorting to the old practice of making indiscriminate promises of costly enterprises with very little local value in their efforts to win the franchise of people in constituencies where the national vision does not extend further than the nearest market town.

### Florida Real Estate Methods

New Liskeard Speaker: Adapting Florida real estate methods to Canada, a syndicate has been formed to develop property on Muskoka Lake, Ontario. Options have been taken on a number of farms and islands, and lots for summer houses are being offered under the name of "Muskoka Beach," says The Financial Post.

For "Muskoka Lake" why not substitute "Northern Ontario"? As beautiful as are the lakes of Muskoka, there is our own Temagami. Besides, the topographical map which may be seen in the new government building at the National will make it quite clear to all who see it, that Northern Ontario could absorb Florida, give everyone a water front, with the finest scenic effects. Sitting beside some Americans who were on their way to Temagami a few days ago, we found they were delighted with the various kinds of second-growth trees and shrubs, and with the lakes and streams seen as the train passed along. One of them said: "Why, around Cleveland, one could not have trees like these. The boys would steal them."

# FOLKS and Finance

E. W. BEATTY, chairman of the board of the Canadian Pacific Railway, is a man capable of performing an immense volume of work in a short time.

Not long ago one of the company's officers called his office.

"Where's the chief?" he asked.

"He is not feeling well to-day and the doctor made him stay at home," was the answer.

"Where's Blank then?" asked the officer, mentioning one of the president's retinue.

"Oh, he's up with the chief."

"Where's So and So?" Another of Beatty's assistants was mentioned.

"He's up there, too."

The officer was puzzled. "I thought you said he was sick."

"Oh, yes sir, he is, but he's got four of them up there and he's keeping them all busy!"

SIR HERBERT S. HOLT, of Montreal, is said to be the wealthiest man in Canada. Certainly, the extent of his interests in a score of big corporations in the fields of paper, oil, public utility, railway, banking and real estate development is greater than even many of his close associates realize. Nominally, he is president of the Royal Bank of Canada, president of Montreal Light, Heat and Power Cons., director of the Canadian Pacific Railway and many other corporations, but actually he is the power behind many companies of enormous size.

Holt has made his success by applying a powerful individual force to a succession of carefully chosen fields of enterprise. He rules his corporations with an iron hand and is something of the old-time executive in this regard. But the warmth of humanity is not missing in his make-up, although his somewhat cold personality suggests the appellation of the Mussolini of Canadian business.

When Holt was a youngster going to school in Dublin he lived with a family of very moderate means who did him many kindnesses. When he came to Canada and made his start as a young railway engineer on construction jobs he maintained his contact with them. Later he became successful and one of his first acts was to bring to the new world the family that had befriended him and to establish them prosperously on Canadian soil.

Bell
C. P. R.
Abitibi
Ogilvie

These are among the leading Canadian Companies whose bonds and stocks are described and analyzed in the new Fifth Edition of our Catalogue of Canadian Investments.

No corporation securities are more widely held by Canadian investors than those of companies such as these.

If you want precise information as to their capitalization, earnings, dividend record, financial position, etc., you will find this information presented in convenient, readable form in our Catalogue.

Without obligation on your part we shall be glad to send you a copy.

*Write for Catalogue 4*

Greenshields & Co
*Members Montreal Stock Exchange*
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
18

# POST-Scripts

"HE plays a Fenian game of golf," the club wit remarked about Tim O'Connell.

"What do you mean?" the others in the locker room asked him.

"Perfectly obvious. '66."

LISTING of Canada Dry Ginger Ale, Inc., no-par stock on the New York Stock Exchange calls attention to another company that has greatly benefited from advertising. According to this company, its expenditures for advertising were $80,000 in 1923, $270,000 in 1924, $670,000 in 1925 and the amount to be spent this year will be larger than ever. Sales these years were: 104,000 cases (50 bottles to the case) in 1923; 440,000 cases in 1924, 973,000 cases in 1925 and 662,000 in the first six months of 1926.

There is nothing "dry" about advertising which produces such results, remarks the Wall Street Journal.

THE proposed acquisition of Swan & Edgar, London's famous corner dry goods store on Piccadilly Circus, by Harrods', also one of the greatest dry goods establishments of the British capital, will give the latter one of the finest groupings of stores in London. Both stores are well frequented by Americans. Harrods' has the cream of the business in the Kensington district and Swan & Edgar, whose new building is now being erected at the corner of Piccadilly Circus, has always enjoyed an immense business from its unexcelled location. Incidentally Harrods' enjoy a world-wide business, conducting a mail order business throughout the world with branches in New York and South America.

"IS FERGUSON likely to be re-elected?" This question was not asked during a discussion on any Ontario election campaign. The questioner was an American newspaper editor, discussing the Dominion election campaign with a member of his staff who had just been in Canada. During the discussion another newspaperman stopped to listen. He had a question also to ask on the Dominion campaign. "How are they going to vote on the prohibition question?" he wanted to know. Even the managing editor of the paper was somewhat at sea. "If we are going to run some stuff on the Canadian election hadn't we better get cuts made of the president and governor," he suggested. "Who are they, anyway?"

If American newspapers are as much at sea concerning our politics as these questions indicate, what about the poor American citizen? He knows as much about the Canadian parties, Canadian political systems and Canadian issues as the average Canadian knows about the local civic politics of Helsingfors.

American newspapers that sent men to Canada to cover the election found that they had to burn up the wires with material copied out of public school text books to give their readers the background of the situation and thus to make later dispatches intelligible. The ex-Canadian newspaperman who was sent to Canada by one of the American papers to cover the election and who incidentally reported to The Financial Post the amusing queries recorded above, said that he could have written his first two articles in his own office without paying railway fare, hotel bills and telegraph tolls. He found that he could not send them any real stuff on the election until he had first of all explained Canada's political system. His readers would not have known what he meant if he had done otherwise.

September List of Investments

Our new List offers a wide selection of Canadian Government, Municipal and Corporation securities, yielding from 4¾% to 7.22%. It also offers a wide selection of Odd Amount Bonds at particularly attractive prices.

Copy gladly furnished upon request.

Wood, Gundy & Company
Limited
Toronto Winnipeg London, Ont.
36 King Street West Toronto Telephone: Elgin 4321
Montreal New York London, Eng.

# News of Investment Markets

## BROMPTON ISSUE BEING OFFERED; EARNINGS ARE UP

### Will Pay for Extensions and Retire Other Issues

**From Our Own Correspondent.**

MONTREAL. — The Dominion Securities Corporation, Greenshields and Co. and Newman Sweezey & Co. are making the public offering of the new $4,183,000 bond issue of the Brompton Pulp & Paper Co.

The company owns plants at East Angus, P.Q., which produce newsprint, boxboard, kraft, manilla and fibre paper and groundwood pulp; it owns also water powers on the St. Francis River with a potential capacity amounting to approximately 15,000 horsepower. At Bromptonville, P.Q., the company owns a plant which produces groundwood pulp and to which is being added the new newsprint mill with a capacity of 110 tons per day; this will be completed by December 1 next. The company's total capacity from its Canadian plants at that date will be 225 tons of newsprint, 55 tons of boxboard and 25 tons of kraft, manilla and fibre paper per day. The two subsidiary companies, which it owns situated close to the Canadian border in New Hampshire, have a capacity of 70 tons of kraft paper and 85 tons of fine bond and other high grade paper per day.

### The Timber Reserves

Brompton and its subsidiary companies own outright 282,102 acres of timber lands and own leases covering 633,757 acres of crown timber limits. These are estimated to contain almost 6,000,000 cords of pulpwood, sufficient to assure the company's supply of raw material for at least 50 years on the present basis of operation.

The proceeds of the present issue will be used in part to redeem the old outstanding bonds of the company which bore the high interest rate of 8 per cent. The remainder will be used to redeem another issue and also to reimburse the company for capital expenditures made on its new newsprint plant at Bromptonville.

The only liabilities of subsidiary companies guaranteed by Brompton consist of $905,000 in bonds and a bank loan of $345,000 of the McCrea-Wilson Lumber Co.; these liabilities are guaranteed by the parent company and are secured by timber limits recently purchased and valued at $2,060,000.

The earnings of the company for the first six months of 1926, before income tax and depreciation were $666,345. This compares favorably with the figure of $1,021,706, the net profit before depreciation during the full year ending Dec. 31, 1926.

### Particulars of Bonds

The full particulars of the bond issue follow:

**$4,183,000**

**Brompton Pulp and Paper Company**

First and refunding mortgage, sinking fund, 6 per cent., 20-year bonds.

**Capitalization**—Upon completion of financing:

|  | Authorized | Issued and Outstand. |
|---|---|---|
| Consolidated 6% Bonds due 1935 (Closed Mortgage) | $817,000 | $817,000 |
| 1st and Refund. Mortgage Sk. Fd. Bonds | 10,000,000 | 4,183,000 |
| Pfd. Stock 8% Cumulative (par val. $100) | 2,000,000 | 2,000,000 |
| Com. Stock (no par val.) | shares<br>210,000 | shares<br>140,000 |

**Purpose:** To redeem other issues and to finance the new 110 ton newsprint mill.

**Security:** A mortgage on all the property of the company, now owned or acquired hereafter.

**Sinking Fund:** Will redeem the issue by maturity.

**Assets:** Total appraised value of the assets of the company, after deducting prior liens, $21,073,744.

**Earnings:** Net for only first six months of 1926, before depreciation and income tax, $666,345. Interest requirements of issue amount to $250,980 annually.

**Offered:** September, 1926, by Dominion Securities Corporation, Greenshields and Co., and Newman Sweezey and Co. at 99¾ to yield over 6 per cent.

## Shawinigan Bonds Sold To Public at 4.80%

An American syndicate offered for sale $3000,000 of bonds of Shawinigan Water and Power. The bonds were the first refunding mortgage issue and were sold to yield 4.80 per cent. putting Shawinigan among the highest grade of all public utility investments.

**$3,000,000**

**Shawinigan Water & Power Co.**

5%, 1st and ref. mortgage sinking fund gold bonds, dated Oct. 1, 1925; due Oct. 1, 1955.

**Company**—One of world's largest producers of hydro-electric power. Controls 520,000 h.p. developed and 257,000 undeveloped water power in Quebec.

**Security**—Bonds secured (subject $3,622,000 five per cent. consol. mortgage bonds) by direct mortgage.

**Earnings.**—Net earnings in 1925, $3,700,877, applicable to depreciation, income taxes and bond interest, latter being $1,334,538.

**Sinking fund**—1 per cent. per annum of amount outstanding.

**Capitalization:**

|  |  |
|---|---|
| Funded debt | $26,562,500 |
| Capital stock (all one class) | 25,000,000 |

**Offered**—September, 1926, by Brown Bros. & Co., Ltd., Higginson & Co., Alex. Brown & Sons, and Jackson & Curtis at 102½, yielding over 5.80 per cent.

## J. A. C. Cameron Will Combine Law and Finance

J. A. C. Cameron, K.C., Toronto lawyer, will head a new investment banking house to be known as J. A. C. Cameron & Co. The new firm have established offices at 304 Bay St., Toronto.

Mr. Cameron was admitted to the Bar in 1896 and began the practise of law in Cornwall, Ontario. While at Cornwall, Mr. Cameron was a partner of the late Justice Leitch, and of the late R. A. Pringle, K.C., M.P. He came to Toronto in 1909, as master-in-chambers at Osgoode Hall, where he remained for thirteen years, when he became senior member of the legal firm of Cameron, Nesbitt & Gordon.

Mr. Cameron has been actively interested in Canadian financial affairs for a great many years, being a director of several companies. It is not his intention to relinquish his legal work, his present connections being retained.

## Shawinigan's Low Priced Money Tells Gilt-Edged Tale

**From Our Own Correspondent**

MONTREAL.—The fact that the Shawinigan Water and Power Company recently sold a bond issue of $3,000,000 is of interest, not only to investors in the company, but also to investors of all kinds, for the price at which the bonds were sold to the public indicates well the declining yields of gilt-edged bonds.

The issue was sold on the New York market at 102½. It pays 5 per cent.; thus the yield to investors is only 4.8 per cent. The lower rate which the company pays on its bonds, the better, of course, is the position of the holder of the common stock. Incidentally, the price at which Shawinigan sold this issue indicates how hungry is the U.S. public for bonds of a high grade. Incidentally, of course, selling the bonds in the States naturally does not mean that more of the control of the company passes to that country. For years to come, Canada will be a borrowing nation, and the more bonds which are sold in foreign countries, the more will Canadian funds be used to hold the equities and ownership of Canadian enterprises.

### Over $5,000,000 in All

The bond issue of $3,000,000 follows closely the recent offering of $2,500,000 common shares at $150 to the present shareholders. As Shawinigan pays 8 per cent. on its common stock, thus the company has acquired in all $5,500,000 of new capital upon which it pays only about 5 per cent. It seems a fair assumption that borrowings carried out at this low rate for further extensions to the property must in the end react very favorably upon earnings.

The company's extension program over the next few years is large, but Shawinigan must obtain more and more power in order to keep abreast of the demand. At first some of the power which it will obtain from these extensions will probably not all be absorbed—but even so, it has always been the company's policy to keep its supply ahead of the demand this policy has certainly worked out well to date, and probably will continue so to do. In any event, Shawinigan will have very low charges to meet on its extensions due to the low rate at which it has obtained its money. In order to progress, power companies have always kept more than abreast of the actual demand for power—they have had to do so in order to meet the demand as it arose.

## Bits About Bonds

**National City Company** is offering a new issue of $15,000,000 6½ per cent. external loan sinking gold bonds of the Republic of Finland at 94 and interest, to yield 6.98 per cent. The bonds mature Sept. 1, 1956, and are non-redeemable for ten years except for sinking fund. Provision is made for a cumulative sinking fund sufficient to retire the entire issue; $3,000,000 of this issue has been taken by the Bank of Finland for public offering in that country. Proceeds of the financing will be used principally for productive expenditures, including hydro-electric development, agricultural credits, railroad construction and for refunding. Finland has no floating debt, and the funded debt as of August 31, 1926, amounted to $26.33 per capita. Finland has balanced its budget, and its currency has been on a gold basis since Jan. 1, 1926. It will be recalled that Finland followed Great Britain in funding its indebtedness to the United States Government.

* * *

**The end** of the vacation period has brought about a quickening of the demand for high-grade bonds, say McLeod, Young, Weir & Co. Many insurance companies are now investing the funds which had accumulated during the summer period.

As a result of improving business and of the prospective crop-moving requirements, Canadian banks are not large buyers of bonds at the present time. On the other hand, there has been no evidence as yet of any desire on the part of the banks to liquidate any of their extensive holdings of bonds.

There is a keen New York demand for Canadian bonds at the present time. For instance, New York buying has resulted in an advance of Province of Ontario 4½'s, due 1944, to the same price level as Dominion of Canada 4½'s, due 1944. The former bonds are payable in New York, while the latter bonds are not so payable.

* * *

**Public offering** was made this week by Credit Canada, Limitée, of the $300,000, 7 per cent. five year collateral gold bonds of the Canada-West India Products Corporation of which full particulars were given in The Financial Post of last week.

In addition to doing a large export business in West Indian products, the company has the exclusive agency for more than thirty large Canadian manufacturers in the island of Jamaica. The bonds are being offered at par and carry a bonus of ten shares of common stock with each $100 of par value of bonds.

* * *

**Concerning** the receivership of G. L. Miller & Co., real estate bond specialists, "Commerce and Finance," New York, comments:

"We have long felt that the ease with which loans on new and extravagantly built structures could be floated was a menace to a situation that was otherwise sound. By it much unnecessary construction has been made possible, and if the embarrassment of the Miller Co. shall make investors more cautious the effect will be salutary in the long run, although it may arrest the building boom and lead to some unemployment for a time."

* * *

**Discussing** with The Financial Post the new Canada Steamships bond issue, an investor raised the point that the dangers of lake navigation were great, considering the shell-like nature of the boats used, and the frequency of serious storms. Would this not affect the security for the issue? he anxiously inquired.

On the contrary, storms on the great lakes have, curiously enough, proven a source of profit to buyers of steamship bonds of one company and another. The reason is this: the vessels are all adequately insured, and the insurance is usually payable to the trustee for the bonds. If a vessel is lost, the money is paid over to the trustee, who, in most cases, has been required to use the money to redeem an equivalent amount of the bonds, which have often had to be called at above par. The result has been that in the case of some of the popular steamship issues of recent years, bonds have been redeemed so rapidly that strong and active demand has always been present.

Incidentally, the record shows no default of any steamship bond on the Great Lakes.

## STE. ANNE PAPER FIRST MORTGAGE ISSUE OFFERED

### Five Million Dollars of Bonds on New Quebec Mill

The formal debut of Ste. Anne Paper Company and its entry into the select circle of Canadian investments are made in the current offering of $5,000,000 of first mortgage bonds. Syndicate making the offering includes Wood, Gundy and Company, Peabody Houghteling and Company and Investment Company of Canada.

Ste. Anne Paper Company has the best of backing. Its sponsors are the same group that now controls Spanish River and Abitibi and their affiliations, Manitoba Paper Company and Fort William Paper Company Control of the new company will rest, it is understood, with them.

The company is putting up a new mill at Ste. Anne de Beaupre, where the St. Anne River joins the St. Lawrence. It will thus be located at tidewater, an important point in raw material supply and shipment of finished product. Newsprint will be manufactured and the initial capacity will be 250 tons a day; that is two large machines, each capable of turning out 125 tons.

### Ample Timber Limits Back Mill

Extensive timber concessions have been secured, the backbone of the wood supply being the Donohue limits, with over a million cords of pulpwood and on which the company will have the right to cut 35,000 cords per annum.

Other timber will be obtained from the freehold lands of the Seminary of Quebec, where cutting rights have been obtained and from additional Crown limits adjacent to these.

Power will be obtained from the Shawinigan Water and Power Company on a very favorable contract obtained because the St. Anne Paper Company's subsidiary, Ste. Anne Power Company, has transferred its power rights on the river to the latter company.

The G. H. Mead Company of Dayton, largest distributor of newsprint in the world, which distributes paper for many Canadian mills, will act as selling agents for the finished product.

Details of the issue follow:

**$5,000,000**

**Ste. Anne Paper Company**

First mortgage 6½% sinking fund gold bonds, dated Sept. 1, 1926, due Sept. 1, 1946.

**Property**—New paper mill at Ste. Anne de Beaupre, P.Q. Daily capacity, 250 tons.

**Assets**—

|  |  |
|---|---|
| Timber limits and cutting rights | $ 4,050,000 |
| Mills, etc. | 6,057,988 |
| Working capital | 1,023,882 |
| Total | $11,131,870 |

**Earnings**—Estimated at $1,400,000 after depreciation.

**Security**—First mortgage on all assets.

**Sinking fund**—Annual payments from Dec. 1, 1928, to retire 63 per cent. of issue by maturity.

**Capitalization**—

|  | Authorized | Issued |
|---|---|---|
| 1st mtge. bonds | $6,000,000 | $5,000,000 |
| 6¼% debentures, 1936 | 2,000,000 | 2,000,000 |
| 7% cum. preferred | 3,000,000 | 2,700,000 |
| Common (no par) | shares<br>100,000 | shares<br>100,000 |

**Offered**—September, 1926, by Wood, Gundy & Co., Toronto; Peabody, Houghteling & Co., Chicago, and Investment Company of Canada, Montreal, at par, yielding 6.50 per cent.

*We recommend*

PUBLIC UTILITY BONDS

*Send for our Selected List*

**Browne, Urquhart & Co.**
Limited,
180 St. James St. Montreal
Tel. Main 8011*.

GOVERNMENT
and
MUNICIPAL
BONDS

W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

## Alberta Municipalities Improve Their Finances

That the financial standing of Alberta municipalities has improved during the year 1925, is the encouraging report of the department of municipal affairs for Alberta. Out of 169 municipal districts, 68 have been able to carry on the business of the year without borrowing for any purpose. Of those that borrowed, all but 28 repaid in full the borrowings which they made for municipal purposes during the year. The average amount carried over for school borrowings was $4,500 in each of twelve districts. The villages have reduced their debentures by 20 per cent. during the year, the towns by approximately 10 per cent. New issues in the towns amounted to $30,000. The amount of taxes collected by the department for improvements, hospitals and schools was $666,000 as compared with $489,000 in 1924 and $1,063,000 in 1923.

An interesting point is the success that has attended the third year of the Tax Recovery Act. By the use of this act the reduction of outstanding arrears has been steadily continued with very beneficial results.

### UNLISTED SECURITIES

|  | Bid | Asked |
|---|---|---|
| Can. Machinery, com. | 7 | 9 |
| Can. Westinghouse, com. | 167 | 171 |
| Cosgrave Brewery | 3½ | 4½ |
| Cosmos Imp. Mills, com. | 12½ | 15 |
| Dom. Power, pref. | 97 | 99 |
| Farmers Dairy, com. | 45 | .. |
| Dunlop Tire, pref. | 80 | 85 |
| B. Greening Wire, pref. | 92 | 95 |
| Gunns, Ltd., pref. | 29 | 31 |
| King Edward Hotel, Deb. A. | 78 | 81 |
| King Edward Hotel, Deb. B. | 58 | 61 |
| Loew's Buffalo, pref. | 50 | 60 |
| Loew's London, com. | 3 | 3½ |
| Pure Food, com. | 32 | 34 |
| Mount Royal Hotel, pref. | 37 | 39 |
| Nat. Grocers 1st pfd. | .. | 95 |
| Nat. Grocers, com. | 5 | 8 |
| Willard's pref. | 69 | 72 |
| Capital Life 25% paid | 20 | 25 |
| Continental Life 20% Paid | 35 | .. |
| Crown Life | 122 | .. |
| Empire Life | 27 | .. |
| Excelsior Life 29% Paid | 55 | 60 |
| Great West Life | 460 | .. |
| Imperial Life | 325 | .. |
| Monarch Life 10% Paid | 25 | 30 |
| Mortgage Discount, pref. | 6.9/10 | 7¼ |
| Ontario Equitable | .. | 24 |
| Re-Insurance | .. | 24 |
| Security Life 40% Paid | 28 | 32 |
| Sherbrooke Trust | 110 | .. |
| Sovereign Life, 25% Paid | 28 | 32 |

**ROBERTS, CAMERON & CO.**
LIMITED.
Canadian Government and Municipal Bonds.
Listed Stocks.
Adelaide 3486-7-8.
Northern Ontario Bldg., TORONTO.

**MURRAY & COMPANY**
*Specializing in*
*Government*
*Municipal*
*and*
*Corporation*
*Bonds*
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

**Executors, Trustees, Administrators**
Guardians, Transfer Agents, Bond Mortgage Trustees
*Savings Department* *Real Estate Department*
**Chartered Trust & Executor Company**
46 King St. W., Toronto

**Farm Lands**
General Agents for
Calgary and Edmonton Land Company, Ltd., Canada Saskatchewan Land Co., Ltd., Winnipeg Western Land Corporation.
OSLER, HAMMOND & NANTON
LIMITED
WINNIPEG

*OSLER & HAMMOND*
*Stock Brokers and Financial Agents*
*Members*
*Toronto Stock Exchange*
*Montreal Stock Exchange*
*21 JORDAN STREET - TORONTO*

**Montreal's Growing Shopping Center**

The fact that there is not a vacant store on the north side of St. Catherine Street, Montreal, for 20 city blocks indicates the permanency of that locality as the chief retail district of the city.

Already more than half the stores in the St. James Building, being built in front of St. James United Church, are rented, though the building will not be finished before December 31st.

It is estimated that net income available for interest will exceed interest requirements three times over.

We offer the First Mortgage 6½% Bonds on St. James Building.

Price: 100 and accrued interest to yield 6.50%.

(Each bond carries a bonus of ½ a share of common stock)

JOHNSTON AND WARD
14 King Street East, Toronto.
Members: Montreal Stock Exchange — Toronto Stock Exchange.

### UNLISTED BONDS

|  |  |  |
|---|---|---|
| Abitibi 6% 1940 | 102¾ | .. |
| Algoma Steel 6% 1962 | .. | 29 |
| Belding 5% 1936 | 89 | .. |
| Belgo Can. Paper 6% 1943 | .. | 100½ |
| Bell Telephone 5% 1955 | 99¾ | 100¼ |
| Burns, P. & Co. 6½% 1943 | 103 | 104 |
| Can. National Rly, 5% 1954 | 100⅞ | 101½ |
| Calgary Brewing 5% 1942 | 83 | .. |
| Can. Steamship Lines 7% 1942 | 104¾ | .. |
| Can. Pacific Rly. 5% 1934 | 99⅝ | 100⅜ |
| Can. Pacific Rly. 4½% 1944 | 93⅜ | 94 |
| Can. Steel Foundries 6% 1936 | 102 | .. |
| Dom. Textile 6% 1949 | 106¾ | .. |
| Duke Price 6% 1966 | 102⅛ | 102⅞ |
| Frontenac Brewery 6% 1951 | 98 | .. |
| H. Smith Paper, 7% 1941 | 100 | 100⅝ |
| Laurentide Power 5% 1946 | 100 | .. |
| Laurentian Power 6% 1936 | .. | 101½ |
| Prov. of Ontario 5% 1948 | 100⅞ | 101⅝ |
| Ontario Pulp 6% 1931 | 106¾ | .. |
| Price Bros. 6% 1943 | 103 | 103⅝ |
| Quebec Power 6% 1953 | 103⅞ | .. |
| Winnipeg Elec. 6% 1954 | 96 | 97 |
| St. Maurice Power 6½% 1953 | .. | 108½ |
| Jam. Pub. Service 6½% 1943 | 102¼ | 103½ |
| Span. River P. 8% 1941 | 106¾ | .. |

*Total Assets in excess of $900,000*
DOMINION FINANCIAL CORPORATION
LIMITED
232 St. James Street
Montreal
Mortgages Purchased

**F. M. Black & Co.**
*Financial Agents*
805 Electric Railway Chambers
WINNIPEG, MAN.

*We offer*
**City of Edmonton**
**5½% Bonds**
Due Nov. 1st, 1945
Interest payable
May 1st and Nov. 1st
*Principal and interest payable Canada and New York*
Price: 101⅜ and interest yielding 5.39%
**McDonagh, Somers & Co.**
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO

*New Issue*
**The Alberta Pacific Grain Company, Limited**
7% Cumulative Redeemable Preferred Shares carrying a bonus of One Share of Class "A" Common Stock.
Price: 100 and accrued dividend, yielding 7%
*Fully descriptive circular upon request.*
**MATTHEWS & COMPANY**
LIMITED
Bond Dealers
255 Bay St., Toronto

BONDS
FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
*Investment Bankers*
ROYAL BANK BLDG. TORONTO

THE SAFEST FORM OF INVESTMENT
WITH 5½% The National Debenture Corporation, Ltd., offers you an absolutely safe and profitable investment secured 105% by Trustee Securities under the laws of the Province of Ontario.
*Consult your local dealer and Write us for particulars.*
G·A·STIMSON & Co.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 BAY ST. TORONTO

**Investment Isn't Speculation**

Be sure you are not speculating when you invest. The difference is not always understood.

If in doubt — don't — is a safe rule to follow when investing.

F. H. Deacon & Co.
227 Bay St., - Toronto

QUEBEC APARTMENTS
LIMITED
6½% 1st Mortgage Bonds
1940
*Inquiries Solicited*
**Ernest Savard, Limited**
*Investment Bankers*
171 St. James St., Montreal, Harbor 5258-9
71 St. Peter St., Quebec, Phone 2-6486.

**F. H. Blakely & Company**
*Investment Securities*
Northern Ontario Bldg.
Toronto

P. H. SKELLY & COMPANY
LIMITED
*INVESTMENT SECURITIES*
71½ SPARKS ST.
OTTAWA, ONT.
QUEEN 6840 QUEEN 6841

DOMINION POWER
PREFERRED AND COMMON
Bought and Sold
**Browning, Harris, Denman & Co.**
LIMITED
*Investment Bankers,*
31 Main Street E., HAMILTON
Toronto Private Line Adel. 8866.
Offices at London and Belleville.

# Planning Ahead Makes Businesses Successful

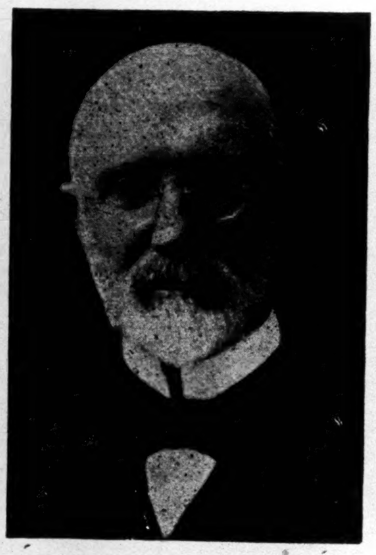
(Continued from page 1)

pect economy of operations, lower costs, higher wages and better profits, if the relations are to be of conflict in place of co-operation.

### Where All Three Benefit

These two young engineers brought home the message to the British manufacturer from United States practice: "The determining factor in the wages which you will pay should not be established by contrast in the relative cost of living prior to the war; rather, in co-operative effort with your workpeople, to whom you will pay higher wages, thereby securing increased production, with lower costs, with increased buying by the consumer, and mutual advantage to all three concerned."

It is interesting to remember, and it seems only the other day, that the continent was surprised by the declaration of Henry Ford that he would make $5.00 per day a minimum wage for his workpeople, and that at the same time he said to his executive: "We will reduce the price of the Ford car, and will continue to use the best of material. It is for you to discover how, by increased skill in manufacture, increased effectiveness of plant, increased output per workman, you will be able to secure a satisfactory return in the sale of an increased quantity of cars at the lower price." We are all awakening to the consciousness that Henry Ford has been a constructive force in wages paid and reduced cost in production.


**SIR JOSEPH FLAVELLE, Bart.,** Chairman of Canadian Bank of Commerce, National Trust Company and Robert Simpson Company, who sees in constructive co-operation inside a business, the key to its success.

### Human Factor Most Important

The human factor is the all important asset in our activities. Whether in the home, in educational institutions, in churches, in politics, finance or commerce, the chief force is men, always men, and, strange as it may appear, it is frequently the least considered. Those of us who are executives are presented with all sorts of demands—more room, more equipment, additional facilities for display, wider markets—but only on rare occasions are we asked to consider the human element in our operations, and yet it is the key to all. What will we do with these humans who are with us in our enterprises—treat them as chattels, to work at will, discard them at will, or as comrades in service, for fair understanding, and fair co-operative effort?

### Planning Ahead in Business

In considering the operation of the businesses with which we are associated it may occur to you on reflection that insufficient attention is given in advance as to what will be accomplished during the coming year. It is but a platitude to say that, whether you consider it or not, something will happen between the first of the business year and its close, and what happens will be reflected in the condition of the business and in the profit and loss sheet established at the end of the year. I have proved the value there is, in months before the beginning of the new year, laying plans for what it is hoped will be accomplished. In the making of these plans, consideration will be given, according to the character of your business, to the inventories you will carry, their suitability for the business which you hope to do, your methods for clearing out the portions of the inventory which are unsatisfactory. It will have to do with the volume of business which you hope to secure, the operating costs which you hope to establish, the profits you will make, and all the many things which day to day are done, whether you think about them in advance or not, and which I have proved are bettered to an extent that is surprising, by the thought which is put upon them in advance of actual operation. Who will put this thought upon the work? The men who are associated with it —responsible managers, responsible heads of departments, who in turn consult those immediately associated with them. The result of such considerations can wisely be put in a carefully prepared forecast, or an objective, or a budget—the name is unimportant. There are many representative corporations in the United States and Canada who have developed the preparation of a budget outlining what will be done during the coming year. The particulars covered would surprise you, if you have had no experience in this type of service.

### Making Plan Work Out

Then follows the execution. The records of the company as transcribed in the books should enable responsible officers to check at the earliest date possible after the commencement of operations in the new year, the progress which is actually being made in contrast to the progress which had been forecast. Some of these records will throw up results in the first day of the new year; others in the first week. It will be found that the time to stimulate men to better effort is while the effort is in progress, and that the time to correct errors in operation is while the operation is being carried on. It is remarkable what constructive measures are taken when managers, heads of departments, and workpeople in co-operation, predicating the results which they said they would secure, are confronted at recurring intervals with the actual result in contrast to the forecast.

In this connection it will be found profitable to carry into the organization the belief that the difficulties with which you are confronted, the disappointments which are met, can be corrected within the four walls of your own establishment. Men commonly look for relief from trouble, from an outside source; whereas by practice it is found that the major portion can be satisfactorily met, if it is accepted that the place to correct your troubles is in matters directly under your own control. You are in supreme control in the field covered by your own operations and actions. Give sufficient attention to this controlled field in co-operation with the whole body of people associated with the business, and you will not be unduly concerned as to what others will or will not do.

### Intelligence Department of Business

In the treatment of your business as suggested, the service of your comptroller, treasurer, accountants, is much more than in keeping accurate records. They should be associated with it from the first and should be the centre of the intelligence department of the business. It should not rest with some interested officer to secure memoranda which reflect the weekly or monthly interpretation of the business in accordance with the budget. The accountant's records should be kept in sufficiently co-operative condition, that the regular balanced statements will have incorporated in them the needed particulars to afford authoritative checking of the operations of the business in contrast to the budget. There is danger of undue rigidity in the accounting system, and the disinclination of accounting officers to accommodate themselves to the changed method of administration. They sometimes are critical observers rather than co-operative associates.

### What One Man Found Out

I have a friend who is senior in a business in a biggish and profitable way. In common with other corporations, he fell into trying times in the years following the war. Aided by a very excellent set of accountants, he instituted a searching investigation into the character of his operations. Before he and his associates were finished with their work they had reduced their annual charges by $250,000, while a constructive direction of operations led to an increased volume of business. Speaking to a body of accountants, you will appreciate the character of his records when I tell you that he has a weekly profit and loss sheet of the entire business before him every Friday morning, and that his monthly balance sheet has, during the last two years, been invariably handed to him on the first working day succeeding the close of the month. Among other plans which this excellently administered business has worked out is one in which each day's work is to be done during the day. A stern observation of this rule, enables a complete review of the previous month's operations to be in the hands of the directing officers upon the first working day of the new month. Whatever value there may be in the experience of the month's operations is available on the first day of the succeeding month. I give you this illustration of a business with which I have no connection, that you may appreciate the potential service that an ordinary body of fine-spirited men can accomplish, if they share full in one another's confidence, and in a common desire to discharge their individual responsibilities.

### Four Magic Words of Success

The prime minister of Great Britain, the Right Hon. Stanley Baldwin, made the following statements during the past two years:

> "Humanize the system of limited liabilit; that is an extraordinary difficult thing to do. After all, let us remember publicity. Where there is ignorance, there is always suspicion, and until you on your side, and I will say we on our side, get the men who work for us to understand our problems as they do not understand them to-day, we cannot hope for progress."

And again:

> "Four words of one syllable each are words which contain salvation for this country and for the whole world, and they are Faith, Hope, Love and Work. No government in this country to-day which has not faith in the people, hope in the future, love for its fellowmen, and which will not work, and work, and work, will ever bring this country through to better days and better times, or will ever bring Europe through, or the world through."

May I commend these four one-syllable words, as being capable of great service for constructive co-operation between the men who are the working forces in the various corporations with which you are associated.

## This Week's Bond Sales

### Port Colborne Bonds Sold

Gairdner & Co. have been awarded an issue of $63,000, 5 per cent., 20-instalment bonds of Port Colborne, the price paid being 98.723. McLeod, Young, Weir & Co. bid 98.28.

### Niagara Falls Issue

An issue of $307,283, City of Niagara Falls, 5 and 5½ per cent. bonds maturing in 10 and 20 instalments, has been sold to McLeod, Young, Weir & Co., on a bid of 98.79. Following are the bids:

| | |
|---|---|
| McLeod, Young, Weir & Co. | 98.79 |
| C. H. Burgess & Co. | 98.74 |
| Wood, Gundy & Co. | 96.60 |
| Fry, Mills, Spence & Co. | 98.27 |

## Tenders and By-laws

**Sept. 18 — County of Middlesex — $126,000,** 5 per cent., 15-year instalment debentures. J. E. Robson, treasurer.

**Sept. 18—Town of Drummondville, P.Q.—** $106,900, 5 per cent., serial bonds. C. H. Lalonde, sec.-treas.

**Sept. 18—Municipality of L'Abord a Plouffe, P.Q.—**$60,000, 5 per cent., serial bonds. P. E. Durocher, sec.-treas.

**Sept. 20—Town of Farnham, P.Q.—$200,000,** 5 per cent. serial bonds. J. E. Lefebvre, sec.-treas.

**Sept. 27—Moose Jaw—**$185,000, 5 per cent., 15-year sinking fund debentures. Geo. D. Mackie, city commissioner. (See announcement on page 16).

**Sept. 28**—Town of Jonquiere, P.Q.—$270,000, five per cent., serial bonds. J. M. Lacroix, sec.-treas.

**Sept. 25—School Commission of Pointe au Pic, P.Q.—**$40,000, 5½ per cent., serial bonds. J. C. Warren, sec.-treas.

## Pt. Grey to Vote on Union With Vancouver City

To all those who are in touch with the problems of Greater Vancouver, the decision of the Point Grey council to place the question of amalgamation with the city of Vancouver and South Vancouver before the ratepayers next January, will be read with interest. This community, which is a single one in all other respects, is divided into a series of separate municipalities for purposes of municipal government. Those in favor of the amalgamation claim that the present system results in inefficiency, and in a waste of effort and money, and they look upon the new move with approval.

The municipal council of Point Grey have decided to put two questions before the ratepayers; one asking for an expression of opinion on a straight amalgamation, and the other regarding a union under a county council system, each municipality retaining control of its own local problems.

### Canadian Connecticut Cotton Mills

The directors declared a quarterly dividend of $1 per share on the 8 per cent. cumulative preferred stock, payable Oct. 1, to holders of record Sept. 15. This is the same rate as paid in the six previous quarters. Dividends in arrears on this issue now total $510,000, or 17 per cent., on the $3,000,000 of preferred stock outstanding.

### BOND MOVEMENTS OF THE WEEK

Week Ending September 14

| | Int. | | | Range, 1925 | | Range, 1926 | | | Latest Price | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Bonds— | Rate | Due | Yield | High | Low | High | Low | Ask | Bid | High | Low |
| Asbestos | 5 | 1942 | 5.20 | 100 | 84¼ | 98 | 92 | 98 | 96¾ | 97¾ | .. |
| Do. Gen. Mtge. | 6 | 1956 | 7.32 | .. | .. | 84⅝ | 81¾ | 84 | .. | 84 | 82½ |
| Dom. Coal | 5 | 1940 | 6.60 | 90 | 84 | 89½ | 85 | .. | 85½ | 85½ | .. |
| Dom. Iron | 5 | 1929 | ... | 94 | 86 | 92 | 70½ | 71¼ | .. | 74¼ | .. |
| Mont. Trams. 1st M | 5 | 1941 | 5.19 | 98 | 94⅞ | 98½ | 97 | 98 | 97¼ | 98 | 97½ |
| Montreal Trams, "A" | 5 | 1955 | 5.46 | 98 | 92¾ | 95 | 92⅛ | 93 | 92¾ | 93¼ | 93 |
| Porto Rico Rlys. | 5 | 1936 | 6.51 | .. | .. | 89¾ | 89 | 89 | .. | 89 | .. |
| Quebec City | 5 | 1939 | 5.54 | 98 | 89¾ | 95 | 91⅞ | 95 | 94¼ | 95 | 94½ |
| Sao Paulo | 5 | 1929 | 6.11 | 95 | 91 | 97⅛ | 95½ | .. | 96¾ | 97 | .. |
| Wayagamack | 6 | 1951 | 6.00 | 98¾ | 84¼ | 100¼ | 91¾ | .. | 100⅛ | 100¼ | 100 |
| War Loan | 5 | 1931 | 4.80 | 102.65 | 101.00 | 102.40 | 100.35 | 101.10 | 100.80 | 100.85 | 100.60 |
| Do. | 5 | 1937 | 4.57 | 104.95 | 103.80 | 104.65 | 103.25 | 103.65 | 103.50 | 103.70 | 103.30 |
| Victory Loan | 5½ | 1927 | 4.85 | 103.15 | 101.70 | 101.75 | 100.15 | 100.85 | 100.65 | 100.55 | 100.25 |
| Do. | 5½ | 1933 | 4.80 | 107.00 | 105.10 | 106.80 | 103.65 | 104.40 | 104.25 | 104.40 | 104.15 |
| Do. | 5½ | 1934 | 5.00 | 104.80 | 103.20 | 104.10 | 102.70 | 103.40 | 103.25 | 103.30 | 103.10 |
| Do. | 5½ | 1937 | 4.67 | 110.00 | 108.15 | 109.30 | 106.95 | 107.40 | 107.20 | 107.30 | 107.00 |
| Do. Renewal | 5½ | 1927 | 4.90 | 103.15 | 101.70 | 101.75 | 100.00 | 100.70 | 100.50 | 100.70 | 100.35 |
| Do. | 5½ | 1932 | 5.01 | 104.20 | 102.60 | 103.40 | 102.00 | 102.65 | 102.45 | 102.50 | 102.25 |
| Do., Refund | 5 | 1928 | 4.90 | 100.45 | 100.15 | 101.30 | 99.00 | 100.35 | 100.20 | .... | .... |
| Do. | 4½ | 1940 | 4.80 | 97.25 | 92.00 | 96.70 | 95.60 | 96.30 | 96.20 | 96.20 | 95.90 |
| Do. | 5 | 1943 | 4.86 | 102.95 | 101.15 | 102.20 | 101.15 | 101.55 | 101.35 | 101.50 | 101.25 |
| Do. | 4½ | 1944 | 4.80 | 97.65 | 96.20 | 97.15 | 95.80 | 96.40 | 96.25 | 96.40 | 96.00 |
| Do. | 4½ | 1946 | 4.77 | .. | .... | 96.50 | 95.65 | 96.35 | 96.20 | 96.50 | 96.20 |

## WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

| | | Municipal | | | | | Cost |
|---|---|---|---|---|---|---|---|
| Place | Date Sold | —Sold To— | Rate | Maturity | Amount | Price | Basis |
| Port Colborne | Sept. | Gairdner & Co. | 5% | 20-ins. | $63,000 | 98.723 | 5.15 |
| Niagara Falls | Sept. | McLeod, Young, Weir & Co. | 5 & 5½% | 10 & 20 ins. | 307,283 | 98.79 | ... |
| Kamloops, B.C. | Sept. | Unknown | 5½% | 25 yr. | 25,000 | ... | .... |
| Kelowna, B.C. | Sept. | Unknown | 5½% | 8-yr. | 8,000 | ... | .... |
| Merritt, B.C. | Sept. | Unknown | 5½% | 20-yr. | 35,000 | ... | .... |
| North Vancouver | Sept. | Unknown | 5% | 5 & 20 yr. | 79,000 | ... | .... |
| New Westminster | Sept. | Unknown | 5% | 5-yr. | 20,000 | ... | .... |
| Point Grey | Sept. | Unknown | 5% | 10, 20 & 40 yr. | 472,600 | ... | .... |
| Prince Rupert | Sept. | Unknown | 5% | 5-yr. | 28,000 | ... | .... |
| Salmon Arm, B.C. | Sept. | Unknown | 6% | 20 yr. | 6,300 | ... | .... |
| Trail, B.C. | Sept. | Unknown | 5% | 20-yr. | 40,000 | ... | .... |

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

| | Date issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Canada Steamship Lines | Sept. | Bank of Montreal and Syndicate | 6% | 1941 | 18,000,000 | 97 | 6.30% |
| Brompton Pulp & Paper | Sept. | Dominion Securities Corp. and Syndicate | 6% | 1946 | 4,183,000 | 99¾ | 6% |
| Shawinigan Water & Power | Sept. | Offered in New York | 5% | 1955 | 3,000,000 | 102½ | 4.80% |

**City of Edmonton**

**5½% Bonds**

Edmonton is a prosperous city, sound financially, efficiently managed and enjoying a steady, healthy growth. Situated in the logical distribution centre of a rich farming district and well served by three transcontinental railways and several branch lines, this city is becoming of increasing importance. Adjacent to the city are natural resources in the forms of coal, oil, gas and water power, all of which are promoting the growth of manufacturing. Edmonton is operating at a substantial profit, its own public utilities.

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Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.......1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's..........1942
Windsor Hotel 6½'s...1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s...............1941
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Canada Steamship Lines 6's............1941

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# GRAIN CONGESTION AT EASTERN PORTS SENDS FLOW SOUTH

## Montreal and Quebec Could Not Handle All Coming Down

Considerable comment has arisen in business and shipping circles with regard to the growth of Buffalo as a milling centre, due to the influx of Canadian wheat. The discussion has brought a new angle of the controversy not usually mentioned. According to shipping men, who are in daily touch with the situation, the reason why a large share of our Canadian grain is being poured into Buffalo instead of Port Colborne and Montreal, rests as much with the lack of sufficient facilities at Montreal, as it does with any other factor. These men affirm that every day during the seasonal movement of grain from the West, thousands of dollars are added to the costs of Canadian shippers because of the congestion in the harbour of Montreal.

In discussing the question with The Financial Post one man said: "It costs $400 per day to keep the average freighter afloat on the lower lakes. During the first week of September, it cost our firm no less than 41 shipping days, through the congestion at Montreal, a dead loss to us of over $16,000. One day this season there were 55 vessels held up or afloat in the harbour, and on August 20, with 10,000,000 in storage at Montreal there were 4,000,000 bushels afloat, 30 per cent. of the total amount, waiting in freighters outside the harbour."

W. T. Jackman, M.A., Professor of Transportation at the University of Toronto, refers to the facilities at Montreal in his recent book "Economics of Transportation." He says, "Both Montreal and Quebec cannot assure the loading out into ocean vessels of more than about 1,500,000 bushels per day, while the intake of grain at the elevators at Fort William and Port Arthur is normally about twice that amount. If the spout at the St. Lawrence ports is not large enough for the hopper at the lake side ports, congestion is natural. This is one of the most important reasons why such a large percentage of Canadian grain goes out through United States channels."

Another executive who is in close touch with the situation, pointed out that due to the British coal strike, this is an exceptional year for the port of Montreal, there not being the usual number of tramp steamers bringing coal across from Britain. The law of supply and demand, it is pointed out, is nowhere so active as among ocean shipping. Tramp steamers which carry the bulk of the world's freight, move restlessly from port to port, motivated always by the presence of a profitable cargo. In past years these tramps have found it exceedingly profitable to bring coal across from Britain and to return to Europe laden with Canadian grain. This year, however, there has been no coal to bring, and the tramps have been drawn continually to American ports to take America coal across the ocean. Thus, no matter what the facilities at Montreal are, if there are comparatively few ships to carry away the grain it will be only a short time before the harbor becomes congested.

# HAMILTON PROVIDENT PURCHASE APPROVED

## No Opposition at Meeting When Huron and Erie Offer is Accepted

At two shareholder's meetings last week the purchase of the Hamilton Provident & Loan Corporation of Hamilton, by the Huron & Erie Mortgage Corporation of London, was finally ratified and now awaits only the formal consent of the Ontario government to become effective. At the meeting of the Hamilton Corporation, in spite of the opposition of some of the shareholders previous to the meeting, a large majority of the shareholders voted in favor of the purchase as recommended by their directors. Ballots representing 14,546 shares with a value of $861,000 voted for the motion, which was $61,000 in excess of the two-thirds of the capital stock required by law.

The Huron & Erie meeting was held in London and unanimously approved of the purchase by the casting of votes representing 71,900 shares, with a stock value of $3,850,000.

The offer of purchase was made by the Huron & Erie at the beginning of August, the price being $227 per share, an increase of $62 above the current market value of the stock. A total of $217 is to be paid immediately, and shareholders in the old company are entitled to participate in a reserve fund of $10 per share to be set aside as a guarantee against possible losses on Hamilton Provident mortgage investments, the fund to be jointly administered by representatives of both companies. The basis of payment is $100 cash, $10 to the reserve fund and $117 in short term debentures of the Huron and Erie, which will bear interest at 5 per cent.

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CANADA NATIONAL FIRE
INSURANCE COMPANY
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Superintendent of Agents

# *Insurance for Buyer and Seller*

# AUTO INSURANCE RATES MAY CLIMB AT END OF YEAR

## Insurance Men Consider Whether Present Rates Enough

Automobile insurance in Canada is declared by insurance men to be the cheapest in the world. That much is claimed even though the season is not sufficiently advanced to determine definitely whether or not the 1926 automobile insurance rates have been adequate or inadequate. Generally speaking, insurance men feel that rates cannot be maintained much longer at their present low level and that when the season closes there will have to be an upward revision to prevent another year of profit-slashing rates. A committee of the Canadian Casualty Underwriters Association is at present studying the rate situation in the west with a view to bringing rates in the prairie provinces into line with those in effect in other parts of Canada. According to one opinion it is at present necessary to cut existing rates by 25 per cent. in order to write any business in the west.

Whether due to this low rate schedule, or to the effect of educational campaigns, at any rate the number of insurers is rapidly increasing. Especially is there a strong tendency on the part of individual insurers to take more complete coverage, and the car owners who formerly carried only theft and fire insurance are, in larger numbers, now carrying public liability and property damage. It has often been wondered why insurance rates did not automatically increase due to the increasing number of cars, with its attendant danger and congestion. This year the volume of traffic from the United States has been greater than at any other period in the history of the country, but automobile insurance costs do not increase in direct ratio with the density of automobile traffic. This increased hazard is taken up in part by a larger number of automobilists carrying insurance, by the educational effect of Safety First propaganda, and by more rigid enforcement of traffic regulations. The gradual reduction in the number of selective policies wherein the insured applies only for coverage against specific risks, is another factor in reducing the cost of automobile insurance.

### Insurance Personals

A number of insurance executives will attend the ninth annual conference of the Association of Superintendents of Insurance, being held in Victoria next week. Those going include: Life—John Appleton, sec.-treas. Canadian Life Officers Association, Dominion Mortgage and Investment Assoc.; C. S. McDonald, general manager Confederation Life; J. B. McKechnie, general manager, Manufacturers Life; J. F. Weston, managing director, Imperial Life; C. M. Bowman, director and Hume Cronyn, director Mutual Life; Geo. E. Merigold, New York, associate counsel, Prudential; F. G. Dunham, New York, attorney, Association of Life Insurance Presidents.

Fire—John A, Robertson, chairman, Canadian Fire Underwriters; T. L. Morrisey, president, All Canada Fire Federation; John B. Laidlaw, general manager, Norwich Union; Lyman Root, manager, Sun Insurance Office; Alfred Wright, manager, London and Lancashire; W. M. Cox, president, Western Assurance

Casualty—V. Evan Gray, chairman and counsel, Canadian Casualty Underwriters' Associations and Canadian Automobile Underwriters Association; W. H. Burgess, secretary, Canadian Surety Company; A. E. Dawson, general manager Toronto Casualty; C. W. I. Woodland, manager, Employers Liability; T. H. Hall, manager, General Accident; J. A. Mingay, manager, Ocean Accident.

F. W. Wegenast, representing reciprocal insurance exchanges.

Recent changes in the field are announced as follows by the Canadian head office of the Metropolitan Life:

John W. Smith, assistant manager at Hamilton, Ontario, is transferred to Danforth (Toronto) Ont.

O. W. Rorke, assistant manager at St. Thomas, Ontario, is transferred to London, Ont.

Norman Brown, assistant manager at London, Ont., is transferred to St. Thomas, Ont.

William E. Austin, general assistant manager in Canadian territory is appointed supervisor of accounts.

Henry Smith, assistant manager at North Sydney, New Brunswick, is transferred to district office, to succeed S. R. Joyce.

Allen Ridgeway, agent at Sydney, N. B., is appointed assistant manager at North Sydney.

Nathan Veinish, assistant manager at Mount Royal, Montreal, is transferred to Outremont, Montreal.

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### No Summer Slump

The old myth of the summer slump has been shattered by the record set by The London Life field force this year, when the issued business for July stood at $6,100,000 while that for August was approximately $5,200,000. Both months show increases over last year. The company, as with most Canadian companies, has been maintainin a rapid pace throughout the year, and with the best months still to come the prospects are excellent for a record year.

# YOUNG CHILDREN MAY BE INSURED FOR SMALL SUMS

## Policy May be for Any Amount But Death Claim Limited

How much insurance can your boy carry if he is under 10 years of age? How old must he be before he can take out a policy for himself? Both business and insurance men alike will be interested to know that simple questions like these have been causing considerable discussion among the insurance fraternity in the United States, particularly in New York State. In Canada we have what are regarded as ideal laws with regard to life insurance among children. In the United States, this question has long been a thorny one, particularly in the last few years, and James A. Beha, superintendent of insurance for the State of New York, tells the legislature in his last report, that his department is devoting considerable time to its solution. In Canada, where eight out of the nine provinces enjoy uniform insurance laws, instead of dissatisfaction there is unanimous approval of a statute which is considered a model for legislation of this kind.

Supposing your child is less than ten years of age. Under the Canadian laws only a limited amount of collectable insurance is allowed. That is to say, you are not prevented from insuring your child for any amount you wish, but in the event of his death before the age of ten, you may not receive the amount of your policy but only the premiums you have paid will be returned to you with interest at six per cent. The actual amount of insurance that may be carried is very small, just enough to cover the bare expenses of the funeral; $20 if the child dies under the age of one, increasing to $40 if he dies under the age of ten.

Another very interesting point which concerns the legal aspect of insurance, is that in respect to the making of an insurance contract by minors. Regarding the capacity of an infant to effect a contract upon his life, it is provided that a minor over 15 years of age, may not only enter into a contract, but may deal with it as effectively as an adult, including designation of beneficiaries, and borrowing on its security. This authority with a contract extends also to contracts which he may have effected before reaching the age of 15.

### Massachusetts Law Makes Auto Insurance Compulsory

Editorial comment in the United States views with interest the Massachusetts compulsory automobile liabilits insurance law, which goes into effect on Jan. 1, 1927. The new law provides that everyone who drives an automobile or motor truck must take out an insurance policy before he can get the license necessary to operate a car in that state. Undoubtedly the idea behind the plan is to provide compensation in all cases of injury, and to prevent the public from losses incurred when a driver is unable to pay the damages. There has been much discussion, prophecy and prediction as to the success and sanity of this law and at the present moment it is thought that nothing remains to be done except to watch the practical results of the experiment.

The State of Massachusetts has just published the new rate schedules which are to come into effect in January. Fleet rates have been put to one side. There is little, if any, provision in favor of safe drivers as against reckless operators, and the many angles of personal underwriting are totally ignored.

As far as Canada is concerned, the question of compulsory insurance is still in the academic stages. The principle at stake is one which has yet to prove itself to be sound, and its opponents maintain that the result of such a law will be an added encouragement to carelessness. Insurance men in this country seem to be somewhat apathetic to the matter but undoubtedly they are watching this new experiment with interest.

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THE NORTHWESTERN MUTUAL
Keeps on deposit at Ottawa one of the largest funds of any Fire Insurance Company for the exclusive protection of Canadian policyholders.
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TOTAL BENEFITS
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STEWARDSHIP
The surplus shown by a life assurance company may be considered the measure of its stewardship. Roughly, it represents the difference between the amount necessary to guarantee fulfilment of its contracts and the amount of its assets. A substantial surplus is an extra safeguard against possible unforeseen contingencies.
A surplus of over twenty-eight million dollars gives additional security to policies of the
SUN LIFE ASSURANCE COMPANY
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"Always Be Prepared for the Unexpected"
—Roger Babson
"The business man and investor," says Mr. Babson, "should not look upon disasters as something out of the ordinary, but as normal events. For this reason I strongly recommend that business men carry insurance of every nature possible."
Failures and bad debt losses are certainly normal events. They may happen with startling irregularity or lack of warning—but they happen—plenty of them—year after year. In fact, because of their very uncertainty, bad debt losses are your *biggest* business risk. You simply can't tell when they are coming, or from what source. But you *can* safeguard against them, with
Credit Insurance
Right now, some of your best customers may be on the verge of failure. Play safe—don't gamble with your book accounts. Protect them—get the worry of them off your mind—with one of our policies, written to fit your exact requirements.
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# Current Events in Banking World

## CANADIANS SLOWER THAN U.S.A. BANKS IN CHARGING FEES

### Over There They Make Customers Pay Reasonably for Service

One outstanding feature of American business is the readiness to exchange details of cost of manufacture and cost of merchandising with others in the same line of business. This is particularly noticeable at the various trade conventions held from time to time, where information, which a few years ago would have been jealously guarded as a business secret, is freely discussed with competitors. That it pays to discuss costs in public seems to have been so well established, that we find this policy urged on the coal mine owners in Great Britain, as the best way of arriving at a settlement paid to all.

American banks are adopting the same methods, and banking journals are full of articles from bankers, some representing individual banks, others speaking for clearing house associations, detailing the cost of banking services, and explaining the reasons for certain concerned action re charges. In American papers, there are frequent advertisements by associations of banks in certain localities, to the effect, that on and after a certain date specified rates will be charged for certain classes of service, followed by the names of the banks who have agreed to them. Latterly many of these agreements have dealt with chequing accounts, and the public have been notified what charges will be made for the carrying of such accounts, when the average credit balance maintained by the depositor is not sufficient to permit the bank to realize a profit therefrom.

**Ten Accounts Lost by Change**

The general plan seems to be to find, by analysis, the average cost to the bank of handling cheques received on deposit, and of cheques charged to the customer's account, and if the balance carried, less the statutory cash reserve, does not yield a profit after the estimated cost of service is deducted, to charge the customer a sum sufficient to make up the deficiency. In one of the Western States, the banks, after analysis, found that the annual cost to the bank of carrying the average small chequing account was $6.50, and, that a large percentage of the current account balances averaged no more than $100, and some less. They frankly advertised the fact, and customers were notified that, unless the balances were increased so that the banks could make an adequate profit, the deficiency would be charged for. This was put into effect, and the only accounts lost were those they wanted to get rid of.

When the cost of operation is estimated, both on cheques received on deposit and cheques charged to the account, this cost is figured at 3 cents per cheque on the total number deposited and charged to the account, and when the cost is estimated only on cheques charged, it is taken at 5 cents per cheque. The writer has before him a copy of the form of notice used by one prominent bank in a city in New York State of about the same population as Hamilton. It reads: "Debit so-and-so; cost of service rendered for month of September." Then follows a list of services; furnishing cheques, entering credits, making charges through the books and ledgers, cancelling and filing cheques, and returned vouchers.

**Regulations as Enforced**

On the back of the notice is a copy of the regulations:

"When the minimum balance on any day of any month is less than $100.00, a charge of 50c. will be made for every twelve checks drawn or fractional part thereof. When the minimum balance on any day of any month is not less than $100.00, twelve checks a month may be drawn free, but a charge of 50c. will be made for every twelve checks drawn or fractional part thereof in excess of twelve checks for each $100.00 of balance maintained.

"If no checks are drawn in any month, no charge will be made, regardless of balance."

The bank from which this copy was received reports that this rule was put into effect without friction. The reasons were thoroughly explained, and the intended action well advertised. The public generally recognized that the banks were in business to sell service, not to give it away, and were satisfied to pay for the service when the charges were made standard, and enforced against all alike.

**Customer Must Agree**

The costs of operation are about the same in Canada, and the number of chequing accounts with trivial balances cannot be less proportionately than in the towns and cities of the United States. In some sections a service charge is made on these accounts, but this is not so easily done here as in the land of the free, because of a clause in the Bank Act requiring the express agreement of the customer to pay such a charge. Still, if a depositor refuses to agree to a reasonable charge for service, there is no obligation to continue to carry the account.

In comparing Canadian and American practice, it must not be forgotten that in general in the United States, the proceeds of cheques deposited are not available to the depositor until they have been recalled. Credit may be given when the cheques are deposited, but there must be collected funds at credit sufficient to pay cheques presented, and a frequent reason given for refusal to honor a cheque is "funds not cleared."—A.B.B.

## Spokane—American Wonder City Built By Canadian Mines

By DOUGLAS GOUDY.

Spokane! American wonder city built by Canadian mines. This was the impression I got on a recent visit there, made on behalf of The Financial Post.

The extraordinarily rapid development of the Pacific Northwest proved the most striking feature of my recent tour of its leading centres: Vancouver, Victoria, Seattle and Spokane.

Of these enterprising communities Spokane is the natural centre of the great Inland Empire, as the others are the gateways to the sea. From a struggling, isolated community, Spokane has become a city of over 100,000 people—where 5 transcontinental and 12 branch railroads converge, where $55,000,000 worth of mineral resources are developed each year, and manufactured products to the value of $125,000,000 produced annually.

This development has come to pass in a single generation. The man who laid out the main thoroughfare of the primitive settlement has lived to see the city pass the 100,000 mark.

Interest is tremendously keen in Spokane and Seattle on the "Columbia River Project." This stupendous undertaking in irrigation has for its object the reclamation of 1,750,000 acres of land. Senator E. C. Jones, of Washington, addressing the Spokane chamber of commerce, stated that every proposal in Congress as regards this project has been passed up to date. They were making haste slowly.

Canadian business representatives are cordially welcomed by Spokane men, for everyone there recognizes the important contribution that the mining industry of the Slocan and Southern B. C. has made to the upbuilding of this city and its subsequent prosperity.

Indicating the new trend in business is the interest of Eastern Canadian capital in Pacific Northwest mining securities. This trade has been furthered by the connections established both in Toronto and Montreal. Even while I was in two of the leading brokers' offices, orders were coming in over the private wires from Toronto houses, orders for both Canadian and American securities.

The Financial Post Survey of Mines was very well received in Spokane. The mining investment institutions have long felt the need for an authentic annual publication giving the required information on Canada's mineral wealth.

## Staff Gossip

J. L. King, of Mundare, arrived here recently to take over the position as manager of the Bank of Montreal.—Bulletin, Edmonton.

* * *

Fred Bundscho, who has for some time been at St. Jacobs in connection with the Bank of Nova Scotia, has been transferred to Manawaki, Que.—Sun, Milverton.

* * *

Murray Grant, manager of the Marmora branch of the Dominion Bank for several years, has been promoted to the managership of the Lindsay branch.—News-Letter, Orillia.

* * *

Mr. Barlett, of Bury, Que., has arrived and taken up his duties as accountant with the Bank of Montreal. Mr. Barlett replaced U. W. Benson, who has been transferred to Portage la Prairie, Men.—Gleaner, Huntingdon.

* * *

C. A. Jamieson, who has been connected with the local branch of the Bank of Nova Scotia for the last four years, has accepted a position in Niagara Falls, and will leave for there shortly. Mr. Jamieson was very widely known in the city, particularly in tennis circles, where he will be greatly missed. — Mercury, Guelph.

## Weekly Bank Clearings

(In comparison with the same week last year)

| EASTERN CITIES | Sept. 10 1925 | Sept. 9 1926 |
|---|---|---|
| Halifax | $2,650,406 | $2,640,850 |
| St. John | 2,273,075 | 2,328,173 |
| Moncton | 671,931 | 787,014 |
| Sherbrooke | 777,670 | 827,110 |
| Quebec | 4,659,515 | 5,180,033 |
| Montreal | 75,202,736 | 85,465,120 |
| Ottawa | 5,359,328 | 6,005,785 |
| Kingston | ........ | 637,670 |
| Toronto | 78,258,323 | 82,060,524 |
| Hamilton | 3,912,979 | 6,138,578 |
| Brantford | 716,068 | 839,964 |
| London | 1,975,822 | 2,230,730 |
| Kitchener | 709,753 | 791,754 |
| Windsor | 2,895,357 | 3,750,040 |
| Total, East | 180,062,963 | 199,683,345 |

| WESTERN CITIES | Sept. 10 1925 | Sept. 9 1926 |
|---|---|---|
| Ft. William | $ 747,408 | $ 930,404 |
| Winnipeg | 33,528,671 | 34,765,384 |
| Brandon | 559,074 | 572,925 |
| Regina | 3,227,179 | 3,890,137 |
| Saskatoon | 1,486,142 | 2,684,538 |
| Moose Jaw | 947,234 | 1,151,903 |
| Pr. Albert | 258,700 | 312,035 |
| Lethbridge | 585,972 | 496,750 |
| Calgary | 4,742,077 | 4,588,600 |
| Edmonton | 3,779,222 | 4,177,111 |
| Med. Hat | 293,762 | 342,647 |
| N. Westminster | 790,337 | 840,358 |
| Vancouver | 12,456,179 | 15,212,542 |
| Victoria | 1,905,788 | 1,828,035 |
| Total, West | 65,307,745 | 71,793,369 |

## More Bank Branches Closed Than Opened

The Canadian chartered banks report a net loss of two branches during the month of August, when there were four new branches opened and six closed. Following is list of branches opened and closed during the month:

**Opened**

**Commerce** — London St., Windsor, Ont.; Chicoutimi, Que.

**Montreal.**—Ste. Anne de Beaupre, Que.

**Nova Scotia.**—Camaguey, Cuba.

**Closed**

**Royal.**—Montreal, 182 Peel St.; Clairmont, Alta.; Cross Roads, Jamaica; Union de Reyes, Cuba; Majagua, Cuba.

**Provincial.** — Labelle, (sub-agency to Ste-Agathe des Monts, Que.).

### SYRUP PRODUCTION IS LOWER

QUEBEC.—Owing to the unseasonable weather during the tapping season, the production of maple syrup and sugar in Canada this year showed a decrease as compared with the figures for the previous year. The quantity of maple sugar produced in 1926 amounted to 7,137,303 lbs., valued at $1,320,837, as contrasted with 10,496,262 lbs., worth $1,847,672 in 1925. Maple syrup totalled 1,746,570 gallons, valued at $3,575,538, as against 1,672,093 gallons, valued at $3,440,226 last year. The province of Quebec continues to produce over half of the total Dominion production of maple syrup and sugar.

EXPERIENCED INVESTORS

are familiar with the financial background of the Canada Permanent, and appreciate the merits of Canada Permanent Bonds. For more than half a century, these Bonds have been a favorite investment of thousands of people who wish to rest secure in the knowledge that their money is safely invested.

The Bonds are now being issued in sums of $100 and upwards for periods of from one to five years. They bear interest at

FIVE PER CENT.

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Please let us send you full particulars of these time-tested Bonds. They are a Legal Investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION

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Established 1855

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CANADIAN SERVICE
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Regular sailings. Cabin Class $140. Third Class $85. Round Trip $155.

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*Particulars from*

The ROBERT REFORD CO.
Limited
TORONTO
(*Phone Elgin 3471*)
or any STEAMSHIP AGENT

$4,183,000

Brompton Pulp & Paper Company

Limited

First and Refunding Mortgage Sinking Fund
6% Twenty-Year Bonds, Series "A"

Dated September 1, 1926. Due September 1, 1946.

Principal and semi-annual interest (March 1 and September 1) payable at the holder's option, at the Canadian Bank of Commerce, Montreal, Toronto, Halifax, Winnipeg and Vancouver, Canada, or in sterling in London, England, at the fixed rate of $4.86⅔ to the pound, or in New York in United States gold coin of the present standard of weight and fineness. Redeemable as a whole or in part on any interest date on sixty days' notice at 105 and accrued interest on or before September 1, 1936; at 103 and accrued interest thereafter to September 1, 1941, and at 101 and accrued interest thereafter and before maturity. Fully registerable bonds, and coupon bonds registerable as to principal only, in denominations of $1,000 and $500.

Trustee: Quebec Savings and Trust Company

CAPITALIZATION

| (Upon completion of present financing) | Authorized | Issued and Outstanding |
|---|---|---|
| Consolidated 6% Bonds due 1935 (Closed Mortgage) | $ 817,000 | $ 817,000 |
| First and Refunding Mortgage Sinking Fund Bonds | 10,000,000 | 4,183,000 |
| Preferred Stock 8% Cumulative (par value $100) | 2,000,000 | 2,000,000 |
| Common Stock (no par value) | 210,000 shares | 140,000 shares |

The balance of the authorized bonds may be issued in such currencies and series and may be payable in such places, mature on such dates, not earlier than September 1, 1946, bear such rates of interest and carry such sinking fund, conversion and redemption provisions as the Directors may determine at the time of issue; such additional bonds may be issued to refund the outstanding prior lien bonds, due 1935, or bonds issued under this mortgage par for par, or against 66⅔% of the cost or fair value, whichever is less, of additional properties pledged or charged with the Trustee, provided in the latter case that net earnings for the two preceding years have been at least two and one-half times the interest on all bonds outstanding and those proposed to be issued; of the unissued bonds. $5,000,000 may only be issued with the consent of the Preferred shareholders; all as will be more fully defined and set out in the Trust Deed securing this issue.

From a letter of Mr. F. N. McCrea, President of Company, we summarize as follows:—

**COMPANY AND ITS PROPERTIES**—The Brompton Pulp & Paper Company, Limited, owns and operates plants at East Angus, Quebec, producing newsprint, boxboard, kraft, manilla and fibre paper and groundwood pulp, together with water powers on the St. Francis River capable of developing approximately 15,000 h.p., and at Bromptonville, Quebec, a plant producing groundwood pulp, to which is being added a newsprint mill with a capacity of 110 tons per day, which it is expected will be completed by December 1, 1926. The Company will then have a total capacity in its Canadian plants of 225 tons of newsprint, 55 tons of boxboard, and 25 tons of kraft, manilla and fibre paper per day. It also owns subsidiary companies operating in New Hampshire, close to the Canadian border, which have a capacity of 70 tons of kraft paper and 85 tons of fine bond and other paper per day.

The Company and its subsidiaries own 282,102 acres of freehold lands and 633,757 acres of Crown timber leases. These areas are estimated to contain over 5,930,000 cords of pulpwood, sufficient to assure at least fifty years' supply on the present basis of operation.

The Company has practically the exclusive use for logging purposes of the St. Francis River, from the location of the Company's mill to its head-waters. This greatly facilitates logging operations and transporting timber cut by the Company or purchased from settlers.

**PURPOSE OF ISSUE**—The proceeds of this issue will be used to redeem $2,345,600 Bonds of the Brompton Pulp and Paper Company, Limited, of which part bear 8% interest; to reimburse the Company for capital expenditures recently made; and to furnish additional capital to complete the installation of the new newsprint machine at Bromptonville.

**SECURITY**—These bonds will be secured by a specific charge on all the real and immovable property of the Brompton Pulp & Paper Company, Limited, and a floating charge on all other assets now owned or hereafter acquired. They will be a first specific charge on certain of the properties and assets, including stocks of subsidiary companies, and on the remainder of the Companies' properties the bonds will be a specific charge, subject to a prior charge in favor of the Consolidated 6% bonds, due 1935, of which there are outstanding $817,000 under a closed mortgage; all as will be set out more fully in the Trust Deed securing this issue.

**SINKING FUND**—The Trust Deed will provide an annual Sinking Fund for the Series "A" bonds sufficient to redeem the whole issue by maturity, the first payment to be made September 1, 1927.

**SUBSIDIARIES**—The Company controls three subsidiary companies through ownership of their entire common stocks. Through these the Company carries on the manufacture of sulphite pulp, bond and wrapping papers in the State of New Hampshire, U.S.A., and controls timber limits in the Province of Quebec. These companies furnish valuable outlets for the products of the Brompton Pulp & Paper Company, Limited.

According to independent valuations, the assets of these subsidiary companies substantially exceed their liabilities. Of the securities of these subsidiary companies, $905,000 bonds of the McCrea-Wilson Lumber Company, Limited, are guaranteed by the Brompton Pulp & Paper Company, Limited. These are secured by timber limits recently purchased, independently valued at $2,060,000 and from which the Brompton Pulp & Paper Company, Limited, is now supplying part of its timber requirements. In addition to the above, $345,000 of banking advances to the same company are guaranteed.

**ASSETS**—The Fixed Assets of the Brompton Pulp & Paper Company, Limited, exclusive of subsidiaries, as shown by the balance sheet as of June 30, 1926, certified by Messrs. George A. Touche & Company, chartered accountants, after allowance for depreciation and making provision for the estimated cost of construction of the new paper mill at Bromptonville, amounted to $11,574,826, and have been independently valued at $14,325,000. The Net Current Assets of the Company (exclusive of investments, after giving effect to the present financing, and allowing for the estimated cost of the new paper mill) certified by Messrs. George A. Touche & Company, amounted to $2,515,465, thus showing a total book value of $14,090,292. The appraised value of the fixed assets, together with the net liquid assets, show a total value of $16,840,465, against which there will be outstanding $817,000 of prior lien bonds due 1935 and the present issue of $4,183,000 First and Refunding Bonds. The total appraised value of the fixed assets of the Company and its subsidiaries, together with their net liquid assets, after deducting the prior lien bonds outstanding, and all the securities of subsidiary companies in the hands of the public amounts to $21,073,744.

**EARNINGS**—Based on the net earnings of the Brompton Pulp & Paper Company, Limited, exclusive of subsidiaries, certified by Messrs. George A. Touche & Company, chartered accountants, after deducting all operating expenses, depletion and interest on the $817,000 6% bonds due 1935, the amount available for interest on these bonds, income tax and depreciation, has been as follows:

| | |
|---|---|
| Average annual net earnings for 4 years and 8 months ending June 30, 1926 | $1,164,562 |
| Net earnings for the year ending December 31, 1925 | $1,047,762 |
| Net earnings for the 6 months ending June 30, 1926 | $ 666,345 |
| **Annual interest charges on this present issue** | **$ 250,980** |

The above figures do not take into account earnings from the new newsprint mill now being erected or economies expected from recent capital expenditure. It is conservatively estimated that annual earnings of the Company will be increased by at least $250,000 from these additions.

PRICE: 99¾ and interest, yielding over 6%.

*These bonds are offered for sale, when, as and if issued and received by us, and subject to approval of all legal details by our Counsel.*

DOMINION SECURITIES CORPORATION
LIMITED

GREENSHIELDS & CO.

NEWMAN, SWEEZEY & COMPANY
LIMITED

# PRINCE GEORGE PAPER MILL NOW SEEMS PROBABLE

## Long-Mooted Project For B.C. Development Up Again

## JONES AND McLEAN IN

## With Wood, Gundy & Co., Eastern Magnates Discuss Project in Northern Part of Province

**From Our Own Correspondent.**

VANCOUVER. — Foreshadowing further important developments in the pulp and paper field in British Columbia, negotiations are now under way for the building of a $30,000,000 mill at Prince George, close to the junction of the Fraser and Nechako rivers.

So far all pulp and paper development has been confined to the coast, despite the fact that some of the best pulpwood on the continent exists in enormous volume in the interior regions. The Prince George mill will market most of its product in the middle west of the United States, with Chicago as a base, and one of the questions that have held up the project in the past has been that of transportation; whether rail costs would justify the production of pulp and paper so far away from the ultimate market, accessible only by railroad. This question, however, appears to have been settled and the promoters believe that the plan is practicable. The principals behind the transaction are Frank P. Jones, president, Canada Cement Company; H. G. Gundy, of the financial firm of Wood, Gundy & Company, and Angus McLean, pulp and paper manufacturer of Bathurst, N.B. They are all Canadians, and if they go through with the deal and manage to finance it without going to the United States for capital, their mill will be the first to operate in British Columbia under such auspices.

### Must Have Sufficient Limits

The only obstacle in the way at present involves the securing of sufficient pulpwood limits. A $10,000,000 mill was first mooted and at that time pulpwood sufficient to last thirty years was negotiated for. Leases covering this period were finally granted by the provincial government, but now that it is proposed to establish a larger mill. with $30,000,000 behind it, a perpetual supply of timber is required.

According to Mr. Gundy, it will be difficult, if not impossible, to raise the necessary capital unless the government enables the company to secure pulpwood over a longer period than thirty years. Thirty years, he pointed out, might be sufficient to allow of writing off the cost of installation, but in the case of a paper mill such an arrangement was inconceivable. Mr. Gundy believes that the province of British Columbia will eventually be obliged to follow the example of Quebec in its pulpwood legislation; that is to say, give the pulp mill operators the privilege of cutting as much pulpwood on a given tract as they liked for as great a number of years as necessary, provided that at the end of the period the forest would be in as good condition as ever. This policy, he explained, had years ago been adopted in the Scandinavian countries.

### Many Big B. C. Projects

The Prince George project is one of a series that has brought about a striking revival of interest in British Columbia's pulp and paper industry. Among the recent developments are the reorganization of the Pacific Mills, Ltd., as a subsidiary of the Crown Williamette organization with increased capital; the reorganization of the Beaver Cove Pulp & Timber Company with International Harvester capital behind it to the extent of $16,000,000; the resumption of operations under new management of the Whalen mills, and the installation of new equipment at the Powell River Pulp & Paper Company's plant, making for greatly increased output.

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## Granite Club Sells Bonds; Issue of $275,000 Offered

Something novel in bond financing is being offered in the new issue of the Granite Club, Ltd., of Toronto. Instead of offering appraisals of, or valuation of, the new property, the actual out-of-pocket expenditure in connection with the land and building of the new club house are being submitted to show the security behind the issue.

The bonds are being offered quietly now by McLeod, Young, Weir and Company, and a public offering will be made later. The issue amounts to $275,000 of 6½ per cent. fifteen-year first mortgage bonds. Land cost the club $127,500, although present valuations of property in the Yonge-St. Clair district are said to be at considerably above the actual price paid. In all, buildings, land and furnishings cost about $596,000, or for land and building alone expenditures were approximately $550,000.

There are 1,100 members of the Granite Club, which is an old-established organization now completing new and luxurious quarters. Bonds are being offered at 99. There is a sinking fund which will be sufficient to redeem two-thirds of the issue by maturity.

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### Not News in Canada

In the States, the Ruberoid Co. announces that it has obtained control of a substantial interest in its Canadian competitor, Bird & Son, Ltd. The acquisition, it is stated, was made through the company's Canadian subsidiary, Ruberoid, Ltd. The two Canadian companies now operate jointly under the name of Building Products, Ltd.

The Ruberoid Co. manufactures paints and varnishes and trademark weather proofing products. It is one of the leading concerns in the trade and has American plants at Bound Brook, N. J., and Joliet, Ill.

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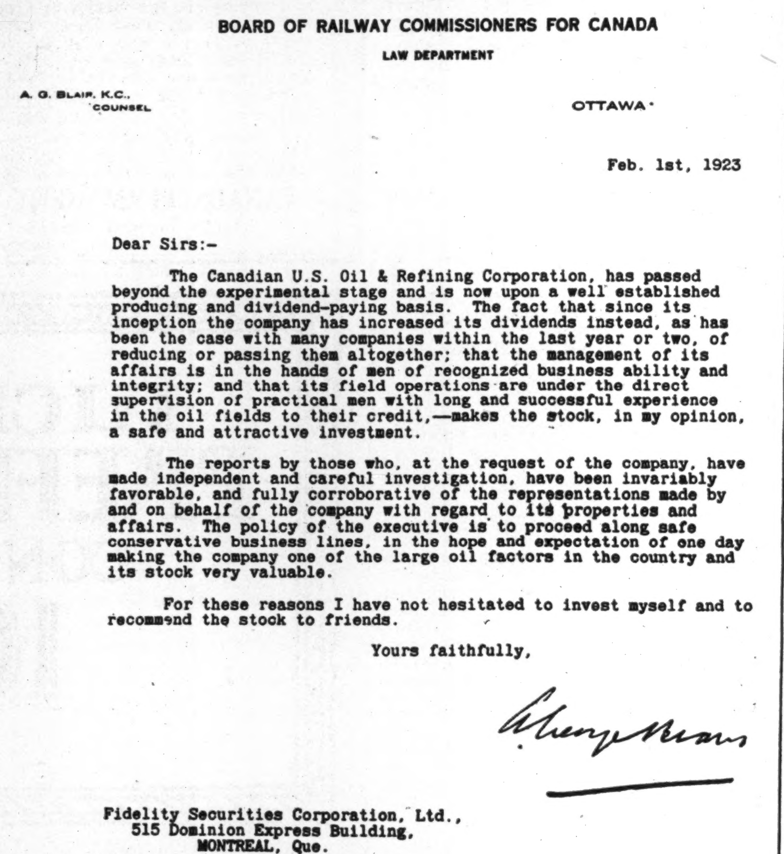
# Another of Those Letters



BOARD OF RAILWAY COMMISSIONERS FOR CANADA

LAW DEPARTMENT

A. G. BLAIR, K.C.,
COUNSEL

OTTAWA·

Feb. 1st, 1923

Dear Sirs:-

The Canadian U.S. Oil & Refining Corporation, has passed beyond the experimental stage and is now upon a well established producing and dividend-paying basis. The fact that since its inception the company has increased its dividends instead, as has been the case with many companies within the last year or two, of reducing or passing them altogether; that the management of its affairs is in the hands of men of recognized business ability and integrity; and that its field operations are under the direct supervision of practical men with long and successful experience in the oil fields to their credit,—makes the stock, in my opinion, a safe and attractive investment.

The reports by those who, at the request of the company, have made independent and careful investigation, have been invariably favorable, and fully corroborative of the representations made by and on behalf of the company with regard to its properties and affairs. The policy of the executive is to proceed along safe conservative business lines, in the hope and expectation of one day making the company one of the large oil factors in the country and its stock very valuable.

For these reasons I have not hesitated to invest myself and to recommend the stock to friends.

Yours faithfully,

Fidelity Securities Corporation, Ltd.,
515 Dominion Express Building,
MONTREAL, Que.

The much-discussed "Stevens letters" became a political issue to such an extent that an important feature of the matter from the standpoint of the investment public was overlooked. The propriety of the use by speculative promotions of the names, recommendations or positions of prominent men for the sale of stock is a very real problem, in no wise related to political issues.

Should a letter purporting to have been written and signed by a man, occupying a high official post in the Dominion government service, be used to sell stock even in a sound company? Common sense would seem to dictate as the answer that it decidedly should not; and that the use of such recommendations by questionable promotions is a grave offence against the investment public, especially uninformed investors.

The above letter was circulated in 1923 by stock salesmen. The letterhead of no less a body than the Board of Railway Commissioners for Canada is used—or a simulation of it. The signature of A. G. Blair, K.C., counsel for the board, is apparently attached in facsimile.

It would seem, either that Mr. Blair's membership on the advisory board of the ill-famed Canadian-U.S. Oil and Refining Company was misused by the promoters or that Mr. Blair owes an explanation to the public.

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# Chemical Pulp Mills Find Markets Better

## Kraft and Sulphite Pulp Markets Give Indications of Considerably Bettered Earnings for Canadian Producers — Demand is Strong and Prices Up

**From Our Own Correspondent.**

MONTREAL.—The situation affecting the Canadian producers of chemical pulps appears to be more satisfactory. The kraft producers include such companies as Wayagamack and Dryden, whilst the sulphite producers include a wider number such as the Fraser Companies, International Paper, Port Alfred, Mattagami, and many others, some of which are newsprint producers also, but have a surplus of sulphite which is sold on the open market.

In June last, there was some recession in the sulphite markets, but a quick recovery was made, and today the market for all grades of sulphite is probably a little stronger than at the beginning of the year. There is, of course, a wide range in the price of various grades of sulphite, depending on the quality; prices are at present between $60 to $95 and even higher for the specialized grades.

Of course, the real market for Canadian sulphite and sulphate pulps is in the United States, and while the import figures of that country reveal a little of the bettered markets, they do not, by any means, tell the whole story. Here are the figures of U. S. imports of chemical pulps up to July of this year:

SULPHITE

| | From Canada | | Total Imports | |
|---|---|---|---|---|
| | Tons | Value | Tons | Value |
| July, 1925 | 27,828 | $1,866,934 | 69,399 | $4,562,812 |
| July, 1926 | 27,073 | 1,822,131 | 77,602 | 5,058,483 |
| 7 Months, 1925 | 213,214 | 14,029,521 | 507,993 | 31,823,403 |
| 7 Months, 1926 | 226,832 | 15,439,387 | 517,605 | 34,149,921 |

SULPHATE

| | From Canada | | Total Imports | |
|---|---|---|---|---|
| | Tons | Value | Tons | Value |
| July, 1925 | 10,539 | 691,063 | 25,781 | $1,532,346 |
| July, 1926 | 11,646 | 804,739 | 37,293 | 2,298,946 |
| 7 Months, 1925 | 74,892 | 4,790,526 | 177,400 | 10,431,723 |
| 7 Months, 1926 | 82,902 | 5,560,401 | 187,480 | 11,895,250 |

### Sulphate Market Better

The chief feature of the foregoing figures is the bettered demand for sulphate, or kraft, pulp. It will be seen that experts of kraft from this country to the U. S. in July increased, but more than this, it will be seen that there has been a not inconsiderable increase in the average price per ton as compared with the corresponding month of last year. Then again the imports during the seven month period into the U. S. reveal the strengthened demand in that country—all which reacts favorably on the Canadian kraft producers.

The sulphite figures, however, do not reveal the present satisfactory state of the market, and while imports from Canada remained stationary during July, yet the imports from this country increased in the seven months' period more than in proportion to the total U. S. imports —furthermore, there is a large output of sulphite in the U. S., and the bettered demand has made itself felt in the domestic demand for further manufacture in the U. S. Then, these figures only include July, and the Canadian mills are presently feeling the bettered autumn demand. Statistically also, the general outlook for continued improvement in the sulphite market is excellent.

### Kraft is Even Stronger

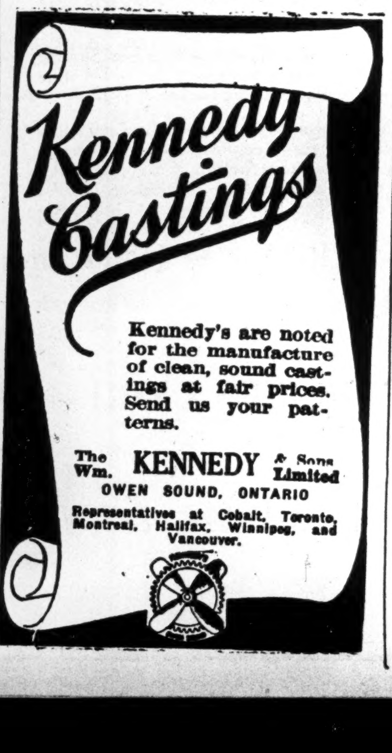
To return to the position of the kraft market; it is thought that possibly this commodity is in a stronger position than sulphite pulp, and there are signs and portents of further strength in the market.

Of course, one factor in the present bettered markets for the chemical pulps is the strike of the pulpmakers in Norway, which to date has resulted in removing at least 20,000 tons of chemical pulp from the market. The Norwegian mills have been idle now for five weeks, and from present indications there seems little chance of any further production from that source for at least another month; this will, of course, prove anything but a handicap to the Canadian producers.

Due to the poor markets for chemical pulps during the last few years, those companies engaged in this type of production have had tough sledding, and only the stronger and better managed companies have been able to come through the depression in the markets successfully. Thus, there has been little or no addition to the world's chemical pulp capacity over the last few years, with the one exception of some additional sulphate production in the southern United States.

There is some indication that the world demand for chemical pulps is at last coming up to the volume which the mills can produce; if this be so, there seems little doubt that once again the chemical pulp producers will come into their own. This, of course, depends principally on the demand for high grade paper both in Europe and America, and to a lesser degree on the pulp demands of the producers of artificial silk.

The last two factors have little bearing on the demand for kraft paper or kraft pulp. Because of the strength and other qualities peculiar to the latter, however, many new uses are being found for kraft, and this has had a tendency to stiffen the market.



Kennedy's are noted for the manufacture of clean, sound castings at fair prices. Send us your patterns.

The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO

Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg, and Vancouver.

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### Wabasso Stock Moves Up

MONTREAL.—The common stock of the Wabasso Cotton Company has been in demand, and, as the stock is closely held, buyers have been obliged to bid up in order to fill their requirements. The last annual report showed better earnings, and new lines which the company recently added to its output have been decidedly well received. Thus the outlook for the current fiscal year is excellent.

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DIVIDEND NUMBER 154

## Hollinger Consolidated Gold Mines Limited

(No personal liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 7th day of October, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 21st day of September, 1926.

Dated the 14th day of September, 1926.

I. McIVOR,
Assistant-Treasurer.

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## PROVINCIAL PAPER MILLS LIMITED

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

All payable October 1st, 1926, to shareholders of record as at close of business September 15th, 1926.

(Signed) W. S. BARBER,
Secretary.

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## THE TRINIDAD ELECTRIC COMPANY, LTD.

Notice is hereby given that a dividend of 1¼% for the quarter ending Sept. 30th, 1926, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of October, 1926.

The transfer books of the Company will be closed from the 1st to the 10th of October, 1926, both days inclusive.

By order of the Board,
F. B. OXLEY,
Secretary.

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## The B. Greening Wire Company Limited

Preference Dividend No. 13

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable October 1, 1926, to shareholders of record September 15, 1926.

F. J. MAW,
Secretary.

Hamilton, Ont., September 11, 1926.

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## OTTAWA LIGHT HEAT & POWER COMPANY, LIMITED

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending September 30th, 1926, payable to Shareholders of record, September 15th, as follows:—

**Preferred Stock:** 1⅝% (being at the rate of 6½% per annum), payable October 1st, 1926.

**Common Stock:** 1½%. (being at the rate of 6% per annum), payable September 30th, 1926.

The transfer books will not be closed.

By order.

D. R. STREET, Secy.-Treas.

Ottawa, Sept. 7th, 1926.

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## Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 1st day of October, 1926, to shareholders of record at the close of business the 20th day of September, 1926.

By Order of the Board,
W. H. SMITH,
Secretary-Treasurer.

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## Laurentide Company Limited

Dividend Notice.

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending September 30th, 1926, payable on Saturday, October 2nd, 1926, to Shareholders of record at the close of business September 17th, 1926.

BY ORDER OF THE BOARD OF DIRECTORS.

W. F. ROBINSON,
Secretary.

Montreal, September 9th, 1926.

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## King Edward Stock Split Two to One Approved

Shareholders of the King Edward Hotel Co. have ratified a by-law authorizing the changing of the issued common stock of $100 par into no par value stock, and sub-dividing the shares on a basis of two for one. The 10,000 shares of stock outstanding will, therefore, be converted into 20,000 shares of no par value, and allotted to present shareholders. The reorganization of the junior security of the company will permit of constructive adjustments in the balance sheet. Earnings this year are reported as showing a substantial improvement over the corresponding period of 1925. The summer season was late, but business quickened very materially in August and early September.

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KERR LAKE MINES, LTD.
61 Broadway, New York.
DIVIDEND NO. 26

The Board of Directors have this day declared a dividend of 12½c. per share on the capital stock of the Company, payable October 15, 1926, to stockholders of record at the close of business on October 1st, 1926. Books will not close.

E. H. WESTLAKE, Treasurer.

September 14, 1926.

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## The Wabasso Cotton Company Limited

Dividend No. 35

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th September, 1926, payable on the 2nd of October, 1926, to Shareholders of record at the close of business on the 15th September, 1926.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Three Rivers, Que.,
August 26th, 1926.

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## Quebec Power Company

Notice is hereby given that a dividend of one and three-quarters (1¾%) per cent. has been declared on the seven (7%) per cent. Cumulative Preferred Stock of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 30th, 1926.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, September 8th, 1926.

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## Quebec Power Company

Notice is hereby given that a dividend of one and one-half (1½%) per cent. has been declared on the Common Stock of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 30th, 1926.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, Sept. 8, 1926.

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## The Toronto General Trusts Corporation

Dividend No. 121

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending September 30th, 1926, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Friday, the First Day of October, 1926. The Transfer Books of the Corporation will be closed from Thursday, the 16th day of September, until Thursday, the 30th day of September, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, September 1st, 1926.

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## Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last from railway revenues and Special Income;

Both dividends are payable 1st October next to Stockholders of record at three p.m. on 1st September next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 9th August, 1926.

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## Dividend Notice

No. 72

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½ p.c.) will be payable on September 30 to shareholders of record of September 25.

This is Monthly Dividend No. 72, making a total of 128½ per cent. (128½ p.c.) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY
By J. E. Horn

K. H. KOMPFE & CO.
TORONTO — LONDON

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## The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1926, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of October, 1926, to shareholders of record of the 20th September, 1926.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 26th August, 1926.

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## The Sherwin Williams Company, of Canada, Ltd.

Notice is hereby given that the twenty-fourth quarterly dividend of one and a half per cent. (1½%) for quarter ending August 31st, 1926, on the Common stock of the Company has been declared payable to shareholders of record the 15th day of September, 1926, and that cheques will be mailed September 30th, 1926.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer

Montreal, Que.,
Sept. 13th, 1926.

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## The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the sixty-first quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for quarter ending August 31st, 1926, on the Preferred stock of the Company, has been declared payable to shareholders of record the 15th day of September, 1926, and that cheques will be mailed September 30th, 1926.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, Que.,
Sept. 13th, 1926.

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## City of Moose Jaw SASK.

5% DEBENTURES—$185,000.00

Sealed tenders marked "Tenders for Debentures" will be received by the City Commissioners, Moose Jaw, Sask., up to 4 p.m. on Monday, the 27th day of September, 1926, for the purchase of 185,000.00 5% Sinking Fund Debentures, Moose Jaw payment and delivery.

These debentures are being issued under the authority of By-Law No. 1219 of the City, for the purpose of making extensions to the City Electric Light and Power Plant.

The debentures will be issued for a term of 15 years and will be dated 1st October, 1926.

The debentures are a direct obligation of the City at large, and the issue has been approved by the Burgesses of the City; the Local Government Board of the Province, and a Certificate of Validity has been received from the Minister of Municipal Affairs.

Alternative bids are requested:—

1. On basis of both principal and interest, payable in New York, Montreal, Toronto, Winnipeg, or, Moose Jaw, at the holder's option.
2. On basis of both principal and interest, payable in Montreal, Toronto, Winnipeg, or Moose Jaw, in Canadian currency only.

The bonds are issued in coupon form, with interest payable semi-annually and principal at date of maturity.

Provision is made for registration of principal only.

The right is reserved to reject any or all tenders.

Further information will be gladly furnished on application.

W. W. DAVIDSON,
Mayor.
GEO. D. MACKIE,
City Commissioners.

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## Dominion Glass Co. Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1926.

The above dividends are payable on Friday, the 1st day of October, 1926, to Shareholders of Record at the close of business Wednesday, the 15th day of September, 1926.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.

Montreal, 2nd September, 1926.

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## The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st October, 1926,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager

# Diversified Farming Thrives in Alberta

## Hundred Thousand Acre Dry Area in West is Converted into Fertile and Prosperous Section

By C. J. BRODERICK.

That agriculture is developing into the sphere of big business is well illustrated in the situation created by the irrigation enterprise fostered by the Alberta government and known as The Lethbrige Northern Irrigation District of Southern Alberta.

Here is a situation that has grown out of a movement of farmers who sought at first merely to escape drought conditions by constructing a plant to water 100,000 acres by means *of canals and ditches.* It is a situation *akin to that of* a pioneer manufacturer who converted his mill from a water-wheel to an electrically driven plant. After the conversion and faced with the bill, he became scared, but it was the sort of scare that put him on his mettle and set him to the task of increasing production to meet his obligations. That he became a millionaire is beside the point.

At any rate something like this is occurring among the Lethbridge Northern farmers. Their plant cost them five and a half millions, financed with the aid of a provincial government's guarantee. When the system was complete these farmers awoke suddenly to the fact that the bill had to be paid and that they had entered the plane of business men operating a big factory.

Their lands were obligated to pay $55 an acre. Production had to increase and costs of production had to be kept at the minimum. Efficiency came as a result, and to-day, two years after the system was inaugurated, production is increasing by leaps and bounds. In 1924, field crops in the district yielded a gross return of less than $400,000. In 1925, the yield was a little better than a milion. This year, 1926, the yield is estimated at about two millions.

### Farmers are Diversifying

The acreage farmed by the individual is narrowing down. Diversification is taking the place of single crops. Rotation is building up soil conditions. Every acre must produce to the maximum, for it costs as much to produce a poor yield as to produce a good yield.

Reorganization is not easy for any business and farming certainly is no exception. Reduction in acreage came hard at first. These men had been accustomed to handling a section or even two sections of land. At this point the Alberta government entered, for it was the government that had guaranteed the bonds. Presented with their first assessment notices, the farmers asked for extended time and better terms and pointed to their large holdings which must pay rates whether producing or not. The government replied that an extension would be granted on a limited area, not more than a half section. Anything surplus to that the farmers must dispose of to new settlers or release to the government in lieu of arrears of rates. As a result the government took over a large area which was thrown open for settlement in January, 1926. A colonization plan was framed to attract experienced farmers possessing their own horses and equipment. To such men land was given free the first year and later payments accepted out of production.

The plan met with instant success and by July 1st 250 new families had been settled on the tract. They set immediately to work and the majority are now looking forward to a bountiful harvest.

### Settlers from Saskatchewan

Most of these new men came from the dry belt in Southeastern Alberta, and it may be said that the settlement plan served a dual purpose, for Alberta was faced with having to find new locations for farmers in that dry section of the province and at the same time settlers were required to put surplus irrigated lands into production. These dry-landers had failed purely because of an adverse climate. They were an excellent type of farmer.

A natural consequence of irrigation and its attendant close settlement was the construction by the Canadian Pacific Railway of a new branch to serve the east end of the district. The railway brought new towns. On every hand there is great development—new homes on new lands—new schools—new roads.

And back of it all there is developing a new type of farmer. Irrigation with its increased cost has promoted a new efficiency. Humanity is the same on the farm as in the factory—the business instinct, the instinct for self-preservation will come to the surface once the incentive is provided.

There is a driving force among Lethbridge Northern farmers to-day—a force that will make of this 100,000 acre tract an asset of great worth to the province of Alberta.

TO SPECIALIZE OR NOT TO SPECIALIZE

# U.S. Calls in Specialists But Canada Still Needs Folks With Good General Ability

By A Canadian Who Came Back from The States.

IN THIS day, the specialist, according to popular theory, is more likely to make a success of his life's effort than the man of all around ability. In brief, it is the age of specialists. There are men to-day who know one subject, or part of a subject, from A to Z and beyond. In business, as in medicine, we are told, the general practitioner is giving way to the highly trained expert.

That may be true of the United States, but as is often the case, the viewpoint requires modification when applied to Canada.

### Effort Must Be Spread

The United States, numbering some 120,000,000 people, and having such a vast population living as one economic and social unit, can afford to permit many of its sons and daughters to do highly specialized work. But Canada with only 9,000,000 people has an economic area virtually as large and a commercial structure that needs must have a skeleton framework almost as extensive as across the border. But to spread out the effort of the country's people to cover all the jobs that have to be done, it is necessary for many people to forego the temptation to be experts or specialists and to acquire a background of more general experience.

There are thousands of men in this country who are doing for their firm the work that would be divided among half a dozen vice-presidents in the more expansive business area across the line. Some of them would no doubt feel at times that they are not doing the best possible work that is in them; that the necessity of doing several things precludes them from doing any one job exceedingly well. On the other hand, most of them, without analyzing their attitude toward their daily job, find much more joy and happiness in its variety and diversity than they would find in the concentrated routine of a narrower work.

### Efficient Canadians in Demand

The necessity for a well-rounded experience and general ability makes Canadians more versatile. This has its unfortunate side for Canada. A Canadian is usually sure of getting preference for a job in the States and this is one reason why so many of our young men and women have gone to that country. In the American banking field, men with Canadian bank training are always welcomed. Men in Canadian banks get a thorough grounding in every phase of banking, while the men in the American banks become good foreign exchange men, or good credit men, or specialists in milling accounts or textiles accounts, etc. In other fields, the feeling towards Canadian trained men and women is similar.

### Opportunity Beckons Versatility

The man with the concentrative mind, who wants to take hold of one narrow segment of work and in it make his contribution to life, who wants to know everything about one subject although he may be at sea anywhere else, will find his opportunity somewhat circumscribed in many fields of endeavor in Canada. Canada, for the next generation at least, will offer the best opportunities to the man who can do a number of things very well; all related jobs, of course, but nevertheless big enough, each in itself, for specialization under different conditions than exist in Canada to-day.

In this day of specialists, Canada still needs men of versatility.

# That Harvester Shortage

By Staff Editor.

CALGARY.—The terrifically heavy rains which marked the closing days of August and the first days of September over a large portion of Western Canada, while not likely to do serious damage if followed by favorable harvest weather, had the effect of further complicating an already complex labor problem. Despite the fact that the West as a whole was calling for thousands of workers, there were vast areas in which for several days no work was done in the grain fields and arriving, would-be harvest hands found no demand for their services. This is a situation which would seem easy of adjustment to all who have no appreciation of the difficulties involved. In reality, a solution satisfactory to all interested was practically impossible.

To the farmer who pays it and to the disinterested citizen, $5 a day for harvest labor looks like big wages. It is. And yet consider the matter for a moment from the standpoint of the worker who comes out from the East, pays his transportation both ways, provides himself with food and suitable clothes, with the prospect of about thirty days' work—if he is luckly. And then consider how the whole working of the system is thrown out of joint if rain interferes, as it has done this year. The excursionist may not be able to earn anything, even if he can get a farmer to hire him. What is more, he is likely to hear that the rain is not so bad at some other point and that men are wanted there. And so he moves on, losing time and spending money—for it seems that all distances are great in the prairie country—and perhaps when he arrives he finds that others ahead of him have filled the demand even if it were such as had been reported, which is seldom the case. Then he may move again, and, dispite the efforts of the government and labor officials to direct the labor supply as a commodity, the human element persists and a condition of shortage and surplus is created with attendant dissatisfactinon for all concerned.

### Why Some Men Idle

Thus we have an explanation of the reports which have gone out of workers idle at one point and labor shortage at another. As a matter of fact there is a real shortage in terms of the supply of recent years, but if dry weather prevails for a reasonable period without heavy frost, there should be no serious damage. In reality the shortage is due largely to the low wages paid last year, and the better demand for labor in the East. Higher wages this year and a longer working season may help to restore the balance in 1927. But another side of the "shortage," from the farmer's standpoint, is that each year the peak of the labor demand increases as the larger number of small threshing outfits makes it possible to cut down the threshing period—provided workers can be secured. A shortage of workers may, therefore, with normal weather, mean only a longer threshing season, or harder work by those on the ground; the advantage of rushing wheat to market has to a very large extent disappeared since the wheat pool has played such an important part in the marketing of the crops.

# Huge Potential Chinese Market Needs Many Canadian Products

While Great Britain and the United States are laying the foundations for huge future markets in China, Canada is apparently willing to stand by and see this tremendous market pass into the hands of trade competitors. The fact of political turmoil in China seems to have given rise to the idea, in Canada, that it is impossible to carry on trade through the regular channels. This is an error, according to G. H. G. Caulton, a British resident of Shanghai now visiting in Canada, since such fighting as has occured spasmodically has never been sufficient to disturb trade permanently.

The city of Shanghai which is a thoroughly modern and progressive city taps the whole of the Yang Tsze Valley which, with the surrounding area, represents a market of approximately 200,000,000 population. With this market, world business is being carried on almost as usual. Recent advices from Shanghai indicate that the merchants are beginning to buy forward rather than pursuing the hand-to-mouth policy formerly followed. This indicates they have faith that the present administration will be able to retain control of the situation for some time at least. Meanwhile the Chinese are adopting western food and Western customs more rapidly than ever, and European trade agents are on the ground actively soliciting trade in many lines.

Another factor likely to aid the growth of trade is the fact that China's tariffs are unlikely to be raised in the near future, as was anticipated. A recent international tariff conference acquiesced in China's demand for a 7½ per cent. addition to her tariff, but is becoming more and more evident that this would simply mean additional funds to squander. Furthermore, China, at the moment is incapable of acting as a responsible party to a contract. It seems unlikely, therefore, that any further action will be taken.

### Small Share of Our Legitimate Trade

As a result of hesitancy in putting forth an aggressive effort to get into the Chinese market, Canada last year exported only $24,473,446 worth of goods to China and less than one-third that amount the year before. Both Great Britain and the United States have much larger shares of the trade and Canada has many products of which China is in vital need. Last year's exports included such products as the following:

| | |
|---|---|
| **Farm and Animal Products** | |
| Wheat | $10,145,654 |
| Flour | 6,878,938 |
| Herring | 1,294,301 |
| Butter | 118,663 |
| **Wood and Products** | |
| Planks, etc. | 156,149 |
| Square timber | 17,930 |
| Shooks | 158,965 |
| **Iron and Steel Products** | |
| Bars and rods | 20,667 |
| Pipe and tubing | 70,712 |
| Wire, etc. | 20,169 |
| Automobiles | 390,050 |
| **Miscellaneous** | |
| Silver bullion | 3,654,895 |
| Lead | 800,464 |
| Zinc | 151,316 |

It is evident from the above list that there are many products such as paper and its products which China needs in large quantities, and which Canada can supply.

# Other People's Views

### Statistics Bureau Under Fire

Grain Trade News, Winnipeg.—The new Dominion estimate of 375,697,000 bushels of wheat for the Prairie Provinces is much more nearly in line with general opinion than was either of its earlier estimates on this crop. The increase over the estimate of a month ago is 79,000,000 bushels, or 22 per cent. No such improvement took place during the month, which means that if the last estimate is approximately correct the earlier estimate was wrong. The first estimate issued early in July, of 327,226,000 bushels, must have been wrong also. There was some deterioration in July and some recovery in August, the one to a large extent offsetting the other, so that the conditions on July 1 should have indicated the probability of a crop of about the size now estimated. It seems clear that the system applied by the Bureau for arriving at the earlier estimates is mistaken or defective, and this matter should have careful attention before next season. Government crop reports should be as near to the truth as money and method can make them. If not, they either cause injury or are disregarded, and therefore wasted. The fact that prices did not go up when the August estimate was issued and have not been weakened by the latest estimate show that the market has largely disregarded recent estimates of our government, which is not a satisfactory condition.

### Pretending They Differ on Tariff

Vancouver Province: The Canadian tariff is a thing that has grown, and in this it is like our constitution and our body of law. It can be changed in certain details; it can be pruned and directed. It cannot be revolutionized. It is not ideal, but there is no doubt there is a measure of practicability about it which has developed with the years, and this practicability can be increased through compromise, through the yielding of ground by both the agricultural and the manufacturing interests. As for stability, there is a certain measure of that, too, in the tariff we have to-day. The tariff structure, as a whole, is solid. Neither party can make any radical changes in it. But both parties, by talking as though they had the power to make radical changes, and the will as well, can give our tariff an appearance of instability. They seem to make it sway, and business, which is timid, is kept in perpetual fear that the whole wobbly edifice will tumble down. This, of course, is not good for business.

There is no essential difference between the tariff aims of the Liberals and the Conservatives. Both parties, we are willing to believe, are honestly striving for the general advantage of Canada, and both are working along lines which will converge if given a fair opportunity. Practicability and stability are both essential. Practicability can come through compromise on the part of the farmers and manufacturers. Stability depends more on our public men. Surely it is not too much to ask of them that, for the sake of Canada, they shall act as statesmen, rather than as politicians, and deny themselves the pleasure of pretending to differ radically on a question on which they are virtually agreed.

*New Issue*

**$18,000,000**

**CANADA STEAMSHIP LINES, LIMITED**

**First and General Mortgage 6% Gold Bonds, Series A**

To be dated October 1, 1926. To mature October 1, 1941.

**Interest payable April 1 and October 1, without deduction for normal United States Federal Income Tax not in excess of 2 per cent per annum. Principal and interest payable at the option of the holders at the Agency of the Bank of Montreal in New York, or at the Bank of Montreal, Montreal, Toronto or London (at parity of exchange) in gold. The Company agrees to refund Pennsylvania tax up to 4 mills. Coupon bonds in denominations of $1,000 and $500, registerable as to principal only in New York and Montreal. Callable at 105 on or before October 1, 1932, with successive reductions of 1 per cent annually to and including October 1, 1936, and thereafter at 101 before maturity, plus accrued interest.**

**MONTREAL TRUST COMPANY, MONTREAL, TRUSTEE.**

It is expected that application will be made to list these Bonds on the New York Stock Exchange.

**Mr. William H. Coverdale, President of the Company, has summarized his letter as follows:**

**HISTORY AND BUSINESS: Canada Steamship Lines Limited, was formed in Canada in 1913, by the consolidation of ten steamship companies, and together with its predecessor companies, including the Richelieu and Ontario Navigation Company, has been established in successful operation for 80 years. Through extensions and additions, it has since become the largest company in the Dominion engaged in inland water transportation of bulk and package freight and passengers, with a fleet of 109 vessels.**

**The Company also owns valuable passenger and freight terminals, wharves, docks, warehouses, hotels and coal-handling facilities, at various places on the Great Lakes and the St. Lawrence River; also a four-million bushel grain elevator, situated on leasehold property. The Company is strongly entrenched by the ownership of terminal sites, chosen with great foresight many years ago, which could not be duplicated today.**

**EARNINGS: The average combined net earnings available for interest and income taxes, as certified by Messrs. Peat, Marwick, Mitchell & Company, over the five-year period 1921-1925, inclusive, after depreciation and other reserves and after eliminating losses on ocean services, now abandoned, were $2,732,526 per annum.**

**After giving effect to the earnings from additional facilities acquired during the latter months of 1925 and in 1926, and to the economies in operation which are being derived from the operation of the enlarged fleet, the net earnings available for interest and income taxes, after depreciation and other reserves, during the current year, 1926, with the last four months estimated, may be taken at $3,500,000 as against total interest charges of $1,320,000, after giving effect to the present financing.**

**ASSETS: The Consolidated Balance Sheet of the Company, as certified by Messrs. Peat, Marwick, Mitchell & Company, as at March 31, 1926, after giving effect to the present financing, shows fixed assets and investments (after depreciation reserve of $11,724,102) of $35,895,076. Of such total assets $10,409,921 are represented by real estate, buildings, grain elevator, docks, wharves, etc., and $25,485,155 are represented by passenger and freight steamships; and in addition the Company has net quick assets of $2,154,487, thus making total tangible assets of $38,049,563 against outstanding 5% Debenture Stock and the new issue of $18,000,000 Series A Bonds. From March 31, 1926 to July 31, 1926, the net quick assets were increased by over $1,000,000, and there are also such other assets as prepaid expenses, insurance investments, funds in hands of Trustees, deferred payments on property sold, etc., aggregating $781,948.**

**SECURITY: This issue will be secured by a first mortgage on recently acquired properties, having a total value, after depreciation, of $14,000,000; and by a second mortgage on steamships, real estate, and other properties, having a total value, after depreciation, of $21,895,076, as at March 31, 1926, and subject to a prior mortgage to secure the Company's 5% Debenture Stock outstanding in amount of $4,853,278, thus leaving an equity of $17,041,798. The Company is obligated to make sinking fund payments which will provide sufficient moneys to purchase all of the 5% Debenture Stock, by 1936, and upon discharge of the 5% Debenture Mortgage, the mortgage securing this issue will become a first charge upon all the properties of the Company. The mortgage to secure this issue will be closed at $50,000,000, issuable in series. Only Series A will be presently outstanding. Other series with terms fixed by the Directors but with maturities not earlier than any series then outstanding may be issued against 75% of the cash cost or value, whichever is less, of property subsequently acquired, or to refund 5% Debenture Stock (and/or 5% Bonds) at par, provided net earnings, to be defined in the mortgage, are equal to twice the interest requirements upon funded debt of the Company, under appropriate provisions of the mortgage.**

We offer these Bonds when, as and if issued and accepted by us, subject to the approval of our counsel, Messrs. Cotton & Franklin, of New York, who will rely upon Messrs. Brown, Montgomery & McMichael, of Montreal, as to all matters of Canadian law including the security.

It is expected that delivery will be made in the form of interim receipts of Montreal Trust Company, or its Agency, or temporary Bonds, on or about October 1, 1926.

**Price: 97 and accrued Interest to yield over 6.30%**

**Bank of Montreal**
**Kissel, Kinnicutt & Co.**
**Wood, Gundy & Co. Limited**
**The Royal Bank of Canada**
**Nesbitt, Thomson & Co. Limited**
**The National City Co. Limited**

The statements and statistics herein have been accepted by us as accurate, but are in no event to be construed as representations by us.

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# News of the Mines: *A Department for Executives and Investors*

## TWO QUEBEC TPS. HAVING A BATTLE FOR SUPREMACY

### Spectacular Results Are Being Met With in Duprat and Boichatel

The way things are shaping up in Quebec as a result of the season's work, there is going to be a keen contest in Northwestern Quebec for Township supremacy. Four ten mile square townships are in the running. Rouyn was the first to come into prominence and will always be in the forefront because of Horne mine. Duprat came next and is shaping up tremendously interesting at present. Then came Boichatel and Clericy. The real contest for the moment seems to be between Boichatel and Duprat. Rouyn and Clericy each have one outstanding operation. Noranda in the former and Archean Mines in the latter. But in the other townships there are several high class ventures that are attracting a great deal of attention and which is focusing the attention on these two townships.

In this regard, Duprat seems to have the call for the present between the operations of Waite-Montgomery, with considerable success in its underground work and is reported to Amulet, Duprat Mines and Consolidated Smelters. Amulet is meeting with considerable success in its underground work and is reported to have recently encountered high grade in the shaft, and after continuing in these for about 50 ft. drifting on it was started. Values are said to be high in zinc and copper.

Waite-Montgomery is being watched closely because many expect that if this property comes along as well as it has been of late that a public offering of the shares will be made. N. A. Timmins, Inc., is in control of the company, and the property is attaining a strong position.

#### Another Big Group

Adjoining Waite-Montgomery on the west is the north group of Duprat Mines which Jos. Houston, Haileybury, has just examined and recommended that diamond drilling be done. There are some interesting showings on this group as well as on the south group, which adjoins the interesting holding of Consolidated Smelters on the north. Mr. Houston states the south group especially shows indications of developing ore bodies of commercial grade in copper and that the geological conditions are similar to those properties where such ore bodies have already been developed.

He was attracted by a big wide Diabase dyke cutting across the north group just north of north boundary of south two claims about centre of the property. It dips north at about 60 degrees, and strikes N. 80 degrees E. It is from 200 to 250 feet wide and runs on over on to Waite-Montgomery to the east. How far west it may carry he could not ascertain as it covered to Duprat Lake. He thinks that it will be found that the ore body on the Waite is connected with this dyke as it is only 1,500 feet south of the ore outcrop which is dipping toward the dyke. All the other ore bodies in this section are found adjacent to similar basic intrusives and the geological evidence, so far gathered, tends to support the theory that they are genitically connected. Interbedded andesite and rhyolite flows which forms the exposed rocks on the northern part of this group, have a dip of from 20 to 30 degrees to the southeast, which is about the dip of the ore body on the Waite, and it will probably be found that that ore body has followed the bedding planes of the formation traversed or maybe some certain favorable layer of rock in the formation.

Smelters is reported to have encountered some excellent ore but no details have been made available.

#### Boichatel Looks Well

Turning, then, to Boichatel, one finds Towagmac as the outstanding group. Alderson, McKay, Montreal, engineers, are responsible for this discovery, said to be very rich, and they awakened keen interest in the township by selling 65% interest in their central group to N. A. Timmins, Inc. A shaft is now down a considerable distance on this property. No statement of values has been given but they are said to be spectacular.

It was while looking over chance syndicate holdings adjoining on west that they came upon this find, which is a wide bed of thickly impregnated pyrite, accompanied by chalcopyrite and pyrrhotite.

Chance syndicate is a private enterprise. It has some very interesting showings. In the same township are holdings of Arntfield syndicate and Boichatel Mines. Both these companies have large holdings. Arntfield has optioned a large group to Pioneer Mines. A Huronian Belt operation, Porcupine gold fields, also had a block of this company's claims under option. Boichatel Mines has three large groups, the company being headed by ex-Premier, Veniot, of N.B., now M.P.-elect.

Coniagas and Smelters are also interested in the Township, while Timmins, Inc. has taken up another large interesting block, north and east of Towagmac. Nipissing has an interesting block of ground in Montbray.

#### DISCOVER HIGH-GRADE SILVER

Developments on Peterson-Cobalt mines encountered high grade in a raise from the 225-ft. level.

### Vulcan Well Proves Up Another 1¼ Mile of Area

Gas flow on Vulcan well, Turner Valley field, Calgary, increased to 3,000,000 cu.-ft. and interesting developments are expected any time, as drilling has been resumed.

The gas is twice as great in volume as Royalite 4 had at the same distance in the limestone.

Another ten feet will likely make a tremendous difference in the production of the well.

The Vulcan strike proves the Turner Valley for a mile and a quarter northwest of Royalite No. 4, and ranks in importance with the bringing in of McLeod 2, says Calgary Oil Examiner.

Whether crude oil or casing head gasoline will be struck at lower levels is one of the results which the oil world is anxiously awaiting. It is thought that the oil will be darker in color and heavier further down.

President A. G. Spooner, of the Vulcan, announced that his company will spud in a second well as soon as the first is completed. Storage tanks to take care of production are being erected.

Spooner Oils, sister company of the Vulcan, has its rig ready to start at an early date, on the adjoining legal subdivision northwest.

### May Pipe Natural Gas To the Western Coast

J. C. Gordon, Calgary, one of the heads of Rainer Oils, which has secured large holdings close to McLeod and Royalite 4 well in Turner Valley, has come east to discuss finances with some eastern people. He is optimistic regarding the oil outlook. An interesting development he tells of is the striking of a heavy flow of gas in Fraser River Valley. His company is in this field. It makes for big possibilities, if the field is large enough, to pipe natural gas to the Coast.

### Native Silver in 27 Veins On Bloom Lake, Gowganda

In a report to directors on work accomplished on Bloom Lake Cons. claims, Gowganda, W. J. Shields, supt., outlines rather an interesting situation on the property, one that seems to make the section quite attractive. With a small gang he has spent the summer opening up surface showings and reports a number of new veins carrying commercial values in silver, cobalt and niccolite. He outlines geological conditions on the property as being all that could be desired and his discovery of a number of important native silver showings, some in wall rock as well as in veins, tends to support the enthusiasm his report displays for the property.

Development operations are being conducted under direction of Horace Stron, of Haileybury, consulting engineer. A complete plan has been laid out to prove up the property at depth, by means of diamond drilling, and it is expected to commence this work in the near future, as several offers have lately been received by the company to provide sufficient finances for this work. These offers are now being considered by the officers of the Bloom Lakes Mines.

The silver discoveries on the properties are spread over an area of eighty acres, and include showings of native silver in twenty seven veins.

### No Wells in U.S. Like Royalite 4, Turner Valley

Walter C. Teagle, president, Standard Oil, New Jersey, says there is no well in United States like Royalite No. 4, Turner Valley field, Calgary. Only well similar to it is one on Pine Island field, Louisiana, which, producing about same amount of gas, free from sulphur, carries only about half as much naphtha as Royalite 4 produces.

## VIPOND DIVIDEND AFTER NEW YEAR

### This is Hope Expressed by President Hamilton to Shareholders' Meeting

Vipond officials have the approval of shareholders to increase capitalization $500,000 to $2,500,000. The plans for the utilization of the added 500,000 shares were not made public but another meeting will be asked to consider and approve of these. It is felt, however, that the directors have some sort of a deal on in regard old North Crown properties which include the old holdings of Thompson-Krist adjoining Vipond. This ground is considered very valuable and is almost certain to contain extension of Hollinger and Vipond ore bodies.

Vipond will likely go on a dividend basis after the first of the year, President F. H. Hamilton, London, told shareholders. His words were "that it was hoped that in the opening months of the new year a dividend would be paid."

Vipond mill is now on a 300-ton daily basis, Dr. Bell told shareholders. He explained the rather difficult portion of the company operating with only one shaft to the main workings. He predicted some developments in this regard, such as renovation of and deeping old Vipond shaft. Ore reserve tonnage is higher, appreciably, though the average grade, value per ton, is lower. Dealing with recent developments he said:

"We are at the moment especially sanguine of the No. 9 vein and of extensions of the 5-8 system at various horizons. A long shoot of good ore was opened during the past year in No. 9 vein south at the seventh level, in continuation downward of a similar ore body long known at the sixth. Very recently the downward continuation of the same shoot, which shows a pronounced pitch to the south, has been struck at the eighth or 866-foot level. It is too early to say whether or not the deposit is as important at this horizon as at the level above. At present we are passing through material of $10 grade over a good width. Work will shortly be undertaken at the 1,000-foot and 1,200-foot levels to explore for its further downward extension. As No. 9 is the most persistent deposit on the property, the operation is considered important.

"Recently some very interesting diamond-drill hole results have been obtained in the exploration of No. 9 vein below the 1,200-foot level. Further diamond drilling will be done at greater depth before excavational operations are undertaken, but it is obvious that in any event such will be advisable, indeed necessary.

"Important extensions of the No. 5-8 system in the southern part of the North Thompson claim were discovered nearly a year ago, and even yet the full significance of these discoveries is not entirely understood. At various horizons, more particularly at the 300-foot, the full extent of the ore body has not been exposed, and diamond-drill hole results have shown further extensions, towards which we have as yet been unable to carry out development work.

"Altogether, the outlook of the Vipond may be considered as very satisfactory. In many localities down to the present lowest horizon of 1,200 feet there is excellent ground for exploration, while the chances in depth, as judged by diamond-drilling results, are bright."

### Blair Gowganda

Reader, Ottawa. — Could you oblige with information regarding W. J. Blair and Blair-Gowganda Mines, also E. J. Thompson, prospector, New Liskeard; T. H. Plunkett, engineer, Meaford; G. H. Sedgewick, Toronto, all connected with the mine.

Blair made $200,000 or $300,000 out of the old University mine in Cobalt and later went west and was leader of the Conservative party in Alberta. He is now back east, living in Barrie. He is an Ontario and Dominion land surveyor and those who know him say he is a first rate fellow who would be awful careful in the spending of other people's money. As to the property of Blair Gowganda, it is on the west rim of the productive basin of the camp and it is therefore a prospect that is worth something. Whether or not it will produce silver is of course a matter of development, but from a geological point of view it is worth testing out. Thompson is reliable.

### Matachewan Camp

F. J. D. Ontario.—Could I get some information on Matachewan Camp. I am interested in a group of claims in that camp and I understand that there is some activity in there. Would it be possible to get capital interested.

Matachewan camp is not much in the limelight at present, and, if you are able to hold your claims and do the assessment work, you would be well advised to do so. It would be a difficult job at the present, with so little activity in the camp, to sell claims for anything what they are worth. However, Matachewan will come back. There is some jockeying going on over properties. One of these days a large aggressive operation will be launched in the camp, and then you should have little trouble in getting capital interested.

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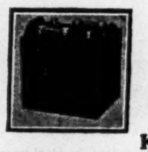
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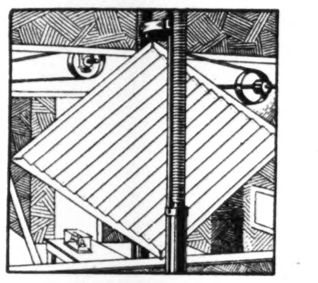
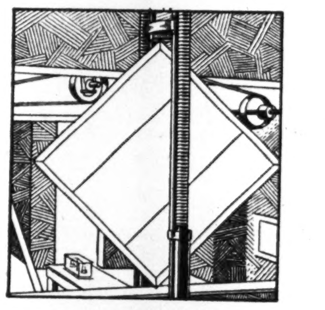


Wood Sheathing under 1600 lbs. pressure.



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# News of the Mines

## BRIQUETTING PLANT TO UTILIZE LIGNITE MAY BE OPERATED

### Company of Late Hugh Sutherland Sending Engineer to go into Matter

ESTEVAN, SASK.—The lignite utilization plant of the Saskatchewan government at Beinfelt, Sask., may be taken over and operated by an English-Canadian Co. An engineer is expected from England shortly to size up the situation, and if his report is satisfactory the plant will be turned over and operated.

This plant was erected and operated by public funds, the federal and two provincial governments, Manitoba and Saskatchewan at one time having a hand in it.

It is perhaps the irony of fate that the company likely to get the plant is an organization brought into being by the late Hugh Sutherland, former M.P. for Selkirk, the man who discovered the lignite deposits of South Saskatchewan and Manitoba and who labored for years to try and have these deposits developed and utilized.

Mr. Sutherland died in England and he was across the ocean on a mission in connection with the future operation of his company and its coal interests when stricken. He raised the funds for the company in England and it is likely that control of the company will pass to England, if it has not already done so. Mr. Sutherland was a frequent visitor to London and after forming his company paid many visits to Germany, studying methods of carbonizing and briquetting lignite, with a view to installing a similar process in the Souris field, where experts estimate that over fifty billion tons of lignite coal may be mined.

Mr. Sutherland, who had much to do with building of the Hudson's Bay Railway and was president of the company that built the first small section was known in Winnipeg as "Hudson Bay Sutherland."

#### Ground Was Afire

It was the fact that the ground in Souris, Man., Valley was on fire that first attracted Mr. Sutherland back in 1874 when he first entered the country as superintendent of public works for N. W. Territories. He found the fire had burned out holes in the banks, where the earth had dropped down and soon came to the conclusion that only coal could be the *fuel* which was feeding the *mysterious* fires.

His experiences as related to delegates of the C.I.M.M. at Estevan some time ago is the early history of the lignites of the prairies. "I had little time for investigation and there was no person to tell me anything about the phenomena, as there was no one living between where I was standing and Portage la Prairie except a few Indians, and they knew no more about what was under the ground than I did. Two years later I met an English mining engineer named Norton at Winnipeg. At that time the only coal burned in Winnipeg was brought up the Red River in rafts from Duluth and cost about $30 per ton. Coal of any kind in the country was regarded as a bonanza and Mr. Norton assured me that what I had seen must have been some light coal which had caught fire from the moisture going through the ground causing spontaneous combustion.

"I engaged Norton and sent him to the district. I put down a number of test pits

(Continued on page 20)

#### MINING STOCK QUOTATIONS

Week Ending September 14

| | High for wk. | Low for wk. | Close Sept. 14 | Close Sept. 7 | Sales for wk. |
|---|---|---|---|---|---|
| Amulet | 1.40 | 1.33 | 1.34 | 1.36 | 139986 |
| Algonquin | 3½ | 3 | 3¼ | 3 | 11500 |
| Apex | 3 | 3 | 3 | 3 | 100 |
| Area | 27½ | 24 | 24 | 26 | 18500 |
| Argo. Con. | 31¾ | 26¼ | 26½ | 31 | 347400 |
| Baldwin | 4⅜ | 3½ | 4 | 3¾ | 163800 |
| Barry Holl. | 68 | 65 | 66 | 68 | 76550 |
| Beaver | 94 | 82 | 87 | 82½ | 249475 |
| Bellellen L. | 23½ | 22½ | 22½ | 22¾ | 103800 |
| Boston Creek | 7½ | 5 | 5 | 4½ | 28220 |
| Bourlamaque | 1.17 | 1.15 | 1.17 | 1.17 | 44675 |
| Bidgood | 5½ | 5½ | 5½ | 6½ | 1500 |
| Can. Lorrain | 83½ | 80 | 80 | 84 | 30000 |
| Capitol | 39¼ | 38 | 38 | 38 | 39150 |
| Castle Tre. | 1.44 | 1.40 | 1.42 | 1.44 | 30275 |
| Chaput H. | 10 | 9 | 9 | 9½ | 8100 |
| Clifton | 2½ | 2½ | 2½ | 2¾ | 500 |
| Coniagas | 4.35 | 4.25 | 4.25 | 4.35 | 1640 |
| Coniarum | 3.80 | 3.60 | 3.70 | 3.80 | 1150 |
| Col. Kirk. | 4 | 2¾ | 4 | 3 | 27000 |
| Cons. Smelt. | 254¼ | 247 | 249⅛ | 254¼ | 8972 |
| C. W. Dome | 21½ | 20 | 21¼ | 20¾ | 109835 |
| Crown Res. | 10 | 9 | 9¼ | 9¼ | 14400 |
| Dome Mines | 11.25 | 10.00 | 10.40 | 11.10 | 5117 |
| Don Rouyn | 50 | 45 | 50 | 50 | 1000 |
| Dupuy | 31 | 29½ | 30¾ | 31 | 65900 |
| Duprat | 19 | 18 | 18 | 16 | 18500 |
| Everett | 6 | 6 | 6 | 6 | 2500 |
| Goldale | 36¾ | 34 | 34 | 36½ | 21300 |
| Gold Hill | 58½ | 45½ | 46 | 60½ | 139150 |
| Gold Reef | 2½ | 1¾ | 2½ | 1¾ | 17300 |
| Hillcrest, com. | 55 | 55 | 55 | 65 | 100 |
| Hill Top | 26½ | 25 | 25 | 26 | 20050 |
| Hollinger | 19.45 | 19.25 | 19.25 | 19.40 | 2145 |
| Indian | 5½ | 5½ | 5½ | 5½ | 1000 |
| Int. Nickel, c. | 38½ | 36⅜ | 37 | 38¾ | 4003 |
| Jay Copper | 75¾ | 75 | 75 | 75 | 6300 |
| Keeley | 1.64 | 1.55 | 1.60 | 1.58 | 34550 |
| Keora Mines | 20 | 18½ | 19 | 21 | 76200 |
| Kirk. Hunt. | 14½ | 12½ | 14 | 14 | 14250 |
| Kirk. Lake | 1.21 | 1.12 | 1.13 | 1.13 | 211940 |
| Lake Shore | 14.75 | 14.45 | 14.45 | 14.75 | 4660 |
| Lakeside | 2⅝ | 2½ | 2½ | 2½ | 7500 |
| Laval | 28 | 25½ | 25¾ | 26 | 37900 |
| La Rose | 9⅞ | 8 | 8 | 10 | 11500 |
| Lorrain | 4½ | 4 | 4¼ | 4 | 25500 |
| Macassa | 42 | 40 | 40 | 43 | 32425 |
| McKinley | 15 | 12½ | 12½ | 14 | 12200 |
| McIntyre | 26.10 | 25.40 | 15.45 | 16.00 | 4537 |
| Millcrest | 10½ | 7 | 9 | 7 | 99000 |
| Mining Corp. | 3.80 | 3.60 | 3.65 | 3.78 | 12540 |
| Mont. Rouyn | 29 | 23 | 23 | 23 | 85450 |
| Moneta | 15 | 15 | 15 | 14 | 500 |
| Noranda | 19.35 | 18.90 | 18.90 | 19.20 | 41918 |
| Night Hawk | 7¼ | 6½ | 7¼ | 7 | 15700 |
| Nipissing | 6.90 | 6.31 | 6.31 | 6.90 | 6790 |
| Pete Lake | 7¾ | 7 | 7¾ | 6⅞ | 60800 |
| P. L. Cobalt | 24 | 21 | 24 | 21¼ | 227600 |
| Porc. Keora | 9¾ | 9 | 9 | 9⅞ | 7000 |
| Pioneer | 95 | 92 | 93 | 88 | 42100 |
| Premier Gold | 2.35 | 2.16 | 2.20 | 2.28 | 4475 |
| Preston | 7 | 6 | 6¾ | 6¾ | 30400 |
| Rouyn | 3 | 3 | 3 | 3½ | 2300 |
| Rouyn, Que. | 2½ | 2 | 2 | 2¼ | 5100 |
| Stadacona | 43 | 42 | 42 | 42½ | 51875 |
| Teck Hughes | 4.77 | 4.65 | 4.70 | 4.77 | 76358 |
| Timiskaming | 6 | 6 | 6 | 10 | 1500 |
| Thomp. Krist. | 1½ | 1½ | 1½ | 1½ | 2000 |
| Tough Oakes | 48¾ | 46 | 46 | 47 | 47450 |
| Towagamac | 3.25 | 3.15 | 3.25 | 3.20 | 6665 |
| Vic. Silver | 4½ | 4 | 4 | 4 | 1700 |
| Vickers | 83 | 80 | 83 | 80 | 6400 |
| Vipond | 1.91 | 1.77 | 1.78 | 1.80 | 57075 |
| West Tree | 2¾ | 2¾ | 2¾ | 2¾ | 2000 |
| Wettlaufer | 5½ | 5 | 5½ | 5 | 11500 |
| Wright Har. | 8.79 | 8.50 | 8.70 | 8.65 | 15855 |

## $45,000,000 Spent by "Pete" in Six Years

Forty-five millions has been spent on the South American oil properties of International Petroleum in six years.

Plan of the Andian National Corp. to double its pipe line in Columbia, to the International Petroleum Co., is made necessary by the development of large production there.

To date, International has drilled 100 wells on its Infantas structure without a failure and with a potential production of 70,000 barrels daily.

This structure has been proven to the extent of 4,000 acres and its limits have not been defined, so that on the area proven 300 more wells could be drilled on conservative spacing. None of the wells completed so far has reached the greatest depth of the potential oil horizon, while the largest producing well had flush flow of 9,000 barrels a day.

Two other structures have been proven oil bearing but at such a recent date that development work has not progressed to a point where their size can be defined. The La Cira structure is one of these; it is situated nearly a mile west of Infantas and was located in 1925. It has five completed wells with total yield of 136 barrels a day. San Louis structure is about 20 miles southwest and was proven this year. It has 16 rotary rigs drilling. A fourth structure has been partly proven making a total of four structures within a radius of 50 miles.

International took over the property, known as De Mares concession, from Tropical Oil Co. in 1920 with one producing well on what was considered a 3,000,000 acre grant, but which actual survey has since shown to contain 1,333,000 acres. Since then a total of $45,000,000 has been spent in developing the property before exporting a barrel of oil. The installed pipe line and necessary facilities cost $15,000,000; $30,000,000 has been spent for exploration, drilling, refinery, roads, tankage and river boats.

When the first pipe line was projected, nearly two years ago, the property had potential production of 50,000 barrels a day, which additional drilling has increased to the 70,000 barrel figure. The line was completed and put in operation late in June, this year, and the first tanker moved 80,000 barrels out early in July.

Installation of the additional pipe line will bring capacity to 50,000 barrels daily and will entail expenditure of about $6,250,000, to be raised through sale of 625,000 shares of Andian National at $10 a share. As the largest stockholder, International Petroleum will put up most of this money.

#### Supertest Earns Over Dividends

Net earnings of Supertest Petroleum Corporation for the quarter just ended are stated to be two and a half times greater than the amount required to pay the entire year's dividend on the Class "A" preferred shares outstanding.

Supertest Petroleum Corporation, whose head office is at London, Ontario, has been operating for about four years throughout western Ontario, the Niagara Peninsula and the Ottawa district.

## ALBERTA'S EARLY OIL BORING DAYS BEING RECALLED

### Dingman, the Pioneer Driller, Gets Rights to Start New Operations

Memories of Alberta's earliest oil drilling in 1906 are revived by the announcement that A. W. Dingman, Calgary's pioneer petroleum engineer, has obtained the rights to drill for oil in the Sarcee Indian reserve for his own special project, the Highwood Petroleum & Natural Gas Co.

Mr. Dingman's original company, the Calgary Natural Gas Co., first drilled on the reserve in the season of 1906-07 according to the Calgary Herald. Oil was evidenced in the well, and gas under pressure was encountered, but the well was never completed. July, 1906 saw the first drilling begun, the Indians hauling coal from Calgary for fuel requirements. The paper continues:

One great difficulty was in retaining experienced men for the operative work for any length of time. The comparatively wild and native surroundings of the well on the reserve apparently were not congenial and home or some other character of sickness, or disability of mind and body was a daily accompaniment. Another factor of importance was the distance from any base of supplies for supplementary equipment which might be required from time to time and the necessity for which could not be foreseen or provided against.

Some progress was made notwithstanding and the first gas was struck at 765 feet. Oil was in evidence at 1,660 feet and gas in volume and under considerable pressure was encountered at 2,300 feet.

#### First Gas Boom

This resulted in the first gas boom in September 1907, and no doubt a number of Calgary residents remember driving out to the well to see the gas. Drilling was continued, but soon thereafter the complete string of cable and tools was lost through the caving which occurred below the caving then in the hole, and the several fishing tools run. In the attempts to recover the lost tools, the fishing tools were also lost beyond recovery. Work on the reserve was abandoned for the time being, but not through disbelief as to the potential possibilities of the area in the way of oil and gas production.

It is not necessary to recite the several reasons why work was not continued on the reserve at the time. They were sufficient and effective. Not at all discouraged, the objective was sought in another, and more roundabout way, requiring years of time and the stretching of elastic patience, but it would now appear that oil as well as gas, in volume is to be an Alberta natural product of great commercial value.

#### Believes in Possibilities

"Had the company at the outset in 1906 been in possession of the ascertained data now available as to structure, etc., when making the location, and the standard equipments now available to operate with," said Mr. Dingman, "it is quite safe to say that a very considerable number of wells, producing both high-grade paraffin based oil, and "wet" or gasoline producing gas would now be in evidence on the Sarcee reserve. Topography, formation, structure are so evident that he who runs can read."

---

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co. for the period August 22 to August 31, totalled 16,490 tons, and for the eight months ending August 31, 377,776 tons, which compares with 259,562 tons for the corresponding eight months a year ago.

Receipts for the first week of September totalled 14,832 tons.

#### WHALERS DO BETTER

VICTORIA.—Whalers who have been much alarmed of late years over the small size of their catches off Vancouver Island, are reassured by the large increase in whales this season. So far this year vessels of the Consolidated Whaling Corporation have caught 182 whales, according to reports received here.

Profit or Loss?

Frequently the difference between making a profit or taking a loss in mining stocks depends on the accuracy of the investors' information.

Realizing the difficulty for the average man to secure dependable information, to weigh the conflicting rumors, and steer a safe course, unassisted, we issue regularly

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An organization, combining accepted geological skill and the utmost fair dealings, devoted to the exploration and development of mining properties, which affords many safeguards to those who participate on its recommendation. Amongst these are:

1. Scientific selection of properties—the weeding of the good from the questionable.
2. Diversity of opportunity—each prospect hand-picked for its own intrinsic value, not because of an unrelated success in the vicinity.
3. Financial structures in which investment is not diluted by being spread over large capitalizations.
4. Direct contact between the investor and profitable development without the intermediaries which absorb his equity in costly promotion and stock manipulation.

Opportunities are continually being uncovered in the Canadian mining field and, as in the past, this company is taking advantage of them.

In doing this the company is prepared to accept the co-operation of investors and so provide a mutually beneficial partnership.

Fullest particulars will be provided on request

Canada Cement Building - Montreal - Canada

As the accompanying sketch indicates, the Archean or Pre-Cambrian shield, the oldest of the earth's rock formations, comprises the greater part of Central and Eastern Canada.

It is Pre-Cambrian formation in which the Rand of South Africa, the Mysore of India and the mines of Australia are located.

All over the world this formation has proved rich in those minerals that industry demands for the needs of civilization.

ARCTIC OCEAN
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ALASKA
YUKON
BRITISH COLUMBIA
ALBERTA
HUDSON BAY
DOMINION OF CANADA
QUEBEC
NEWFOUNDLAND
ATLANTIC OCEAN
PACIFIC
UNITED STATES
MEXICO
NORTH AMERICA with Archean or Pre-Cambrian Shield

Of the North American Pre-Cambrian formation (called shield because of its shape) the small tip in the United States, which represents only 3% of the whole, provides in copper and iron much of the basis for the great industrial wealth of that country.

The remaining 97% is Canadian. The nickel area of Sudbury, producing 85% of the world's supply; the silver mines of Cobalt; the gold fields of Porcupine and Kirkland Lake which now bring Canada to third place amongst gold-producing nations; the copper of Flin Flon in Manitoba; the copper-gold of Rouyn; these are all as yet mere scratches in this tremendous area of potential wealth production.

# BRIQUETTING PLANT TO UTILIZE LIGNITE MAY BE OPERATED

(Continued from page 19)

and later on I went up to verify the value of the deposits which these test pits had shown. Then I went to Ottawa and saw the surveyor general, the late Col. Dennis, father of 'Jack' Dennis, and made an application for what is now the Roche Percee mine. I was informed that my application could not be recognized as there was no survey of the territory, but I hired a surveyor. The survey was made and tied on to the International Boundary Line which was then being run between the United States and Canada and my application was granted in 1876 or 1877. I had given some samples of coal to Col. Dennis who was much interested in them, but Professor Selwyn, who was head of the Geological Department, scoffed at the idea that coal could be found in the Souris Valley or any other valley on the prairies. I sent an ox-cart expedition of laborers and miners to Souris Valley and the Roche Percee mine was opened up in 1879.

### River Transportation

"I had a theory that coal could be floated by barge down the Souris River and was anxious to try the experiment, so we cut down trees in the vicinity of the mine, whip-sawed them into lumber to make barges and constructed three barges which would transport about fifty tons each. As soon as the river rose in the spring we started down on our long trip to Winnipeg. We got as far as Assiniboia River when the water dropped so low that we had to unload about half of our coal and then proceeded on our way.

"Our arrival in Winnipeg created great excitement. I then essayed to organise a coal mining company to develop this deposit on a large scale and found a great deal of difficulty in getting started.

"Before I could organize my company I was told that I had to get a government report and again called on Professor Selwyn, who was then head of the Geological Survey. When I told him that I had discovered coal in the Souris Valley he exclaimed: 'What nonsense, you could not find coal on the prairie.' My friend, Col. Dennis, suggested that Professor Selwyn should at least try to investigate what I had found, but Professor Selwyn continued to explain that it would not be worth while, as there could not be any coal, where I had actually mined over two hundred tons. Professor Selwyn insisted there could be no coal in the Souris Valley owing to the formation of the strata which was either above or below the strata on which coal could be found. I tried to explain to him I had discovered and brought to Winnipeg what looked like coal, but could make no impression on him. Finally the department decided to send out Professor Selwyn, who worked for three months with a spring-pole drill, putting down ordinary test holes, but naturally he reported that it would be of no use trying to develop the field as the coal was not merchantable and could not be used successfully for domestic purposes. However, other people were satisfied that there was coal in the district. I had sent a sack of coal to the premier, Sir John A. Macdonald, but Professor Selwyn still would not give in.

### First Railway Move

"By this time I had found that bringing coal by water from Souris to Winnipeg was not practicable and I interested myself in getting a charter for the Southern Colonization Railway from Winnipeg to Souris to the Souris coal fields, a distance of about 300 miles, years before the Canadian Pacific Railway had begun to build across the prairies, and this is how the line which is now the Souris branch of the Canadian Pacific Railway was first launched.

"The next question was where to get money to build the railway and I went to New York and saw President Billings of the Northern Pacific and proposed that the Northern Pacific should enter our fertile plains to develop the new country by building a railway to the only coal field yet found on the prairies. I was successful in my attempt. The Northern Pacific came and agreed to furnish money for building the railway if I secured a land grant from the government, which I did of 6,500 acres a mile from Winnipeg to Souris. The company was organized and General Hammond of New York made president, I first vice-president. General Billings, president of the Northern Pacific, took the greatest interest in the enterprise. We built fifty miles of railway, getting out as far as Carman, when the C.P.R. got alarmed and raised such a row that the Disallowance Act was passed by the Dominion Government which prevented the building of any railway line south of the C.P.R. main line for twenty years. The United States railway people were forced to sacrifice their investment for a concession at the Pacific Coast from the C.P.R. and left the country in disgust, and I and my friends lost all we had put into the enterprise and I had to wait many years after before the Souris line was finally completed.

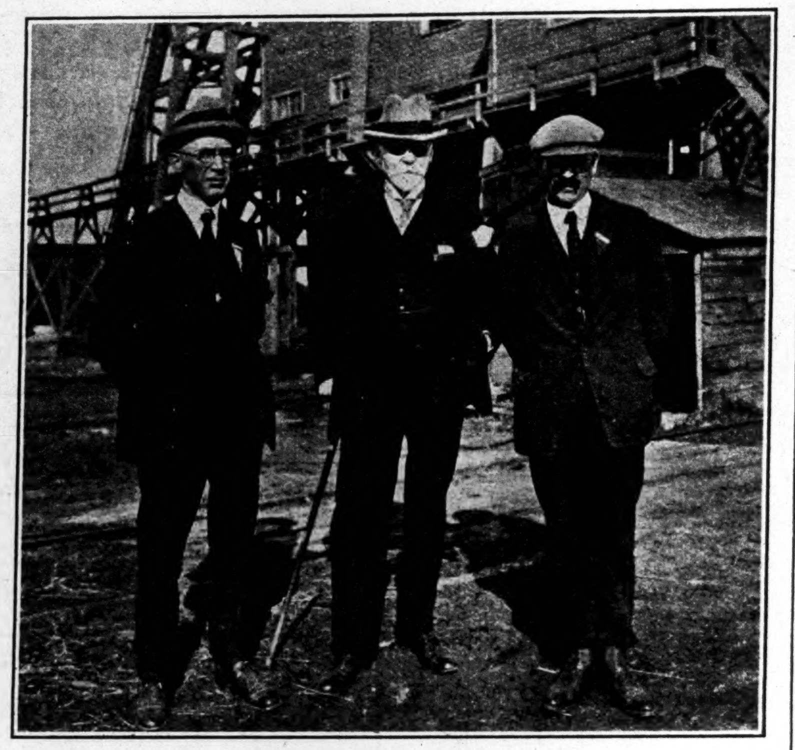
### Overcoming Obstacles

"I have all my life been handicapped by a weakness of mine for always being a few years ahead of my time, and I found that opening the coal supply so far away from the market was quite an expensive and not a very profitable undertaking. One of our difficulties we solved in rather an amusing way. There were no work horses in the country and you could not harness a broncho, as it would kick every strap off, if it took a week, so for pulling our loaded cars out of the mine we used to back one of the bronchos into the mine and tie it to the car by the tail. It was surprising how they could pull, harnessed in this primitive fashion. We found that these Indian ponies were very valuable aids in our transportation service. When our ox-cart caravans came to any bad place in the trail, all we had to do was to tie two of these ponies by their tails in front of the oxen and we never thought of crossing a creek without a couple of Indian ponies hitched by their tails to help to pull the oxen and carts through.

"From 1874 to the present is a long time to have been interested in the Souris coal field and I have often wondered why through all these years I have stuck to the development of this industry. I can say honestly I have not made a dollar out of it. To be sure I started in wrong. My transportation system as well as the manufacturing methods proved altogether too expensive and the great error was made by marketing some Souris coal without screening machinery for separating the impurities from the coal, which gave the product a black eye and it was many years before it recovered from an undeserved reputation which it received owing to this early mistake.

### Selling Coal Too Cheap

"As a consequence we have been selling our coal too cheaply, are still selling it far too cheaply, instead of taking more pains, eliminating the poorer coal and getting the price which our coal is actually worth. The reputation of Souris coal has improved very considerably on the market recently as the increase of production and consumption shows, but we are still not getting near what our product is worth. Fuel tests by many of the largest plants in the West, have proved that the most economical steam coal on the market, bar none, is our Souris coal. The Manitoba government tests have given the same results as those by private firms. We now have the cheering prospect of a successful solution of the carbonizing and briquetting problem, and I am confident that our coal, when properly prepared, will put the other coals off the market for domestic purposes as well as for power. All the mine owners in Saskatchewan are equally interested in the success of the experiments and look forward to the time when the process is perfected."



The central figure in the above picture is the late Hugh Sutherland, for many years M.P. for Selkirk, Man. On his right is Thos. Malloy, commissioner of labor for Saskatchewan. Accompanying tells of Mr. Sutherland's activities in lignite.

## Premier-McIntyre

E. S., Sask.—Do you consider Premier Gold Mines a good investment, or would McIntyre at $25 be better, or provincial bonds?

Premier Gold Mine shares are well regarded. The company pays 32c. per year per share of $1 each, which gives a good yield at present market. The company is well handled and ore reserves are of a substantial nature. McIntyre is also an excellent proposition. The yield is not as great as on Premier but the speculative possibilities of McIntyre for a hold are great. You have here two distinct but excellent mining ventures, one showing a high yield with a fairly stationary market and the other with low yield but a speculative market. As we have said, both these mines are sound but of course are not to be compared with provincial bonds in the matter of security.

## Coniagas-Coniaurum

W. F. S., Quebec.—Would like your opinion on Coniagas Mines. Does Coniagas control Coniaurum? What do you think of the latter, also?

Coniagas Mining Co. is to-day really a holding company having control of Coniaurum. The latter is an excellent mining venture in Porcupine Camp, adjoining Hollinger north of its Schumacher property and McIntyre on the east. Developments have been most satisfactory and it looks as if the proposition has the makings of another good mine for the camp. It is well handled by excellent people.

# BIG ENGLISH MINE OPERATION AT LAST STRIKES IT RICH

## Selukwe Co. Looks to Have Rich Property in B.C. Silver

Word comes from Portland Canal that an ore discovery of major importance has been made on the B. C. Silver. The location is given as a cross-cut from a shaft 75 feet below the lowest or No. 3 level. This is said to demonstrate that ore bodies persist to depths of 1000 feet or more.

London Mining World in a recent issue said regarding Selukwe and the B. C. Silver companies: "After wandering for years in the wilderness of disappointed hopes, this company seems at last on the threshold of a remarkable success, a success likely to be as conspicuous as that which attended its neighbor the Premier. If what we hear from Canada is true. . . we shall see most important developments on the Salmon River this season."

### Controlled in Britain

The Selukwe Gold Mining & Finance Company, Limited, a British mining concern, controls the B. C. Silver holdings in the Portland Canal. Selukwe also recently purchased the Bush Mines, supposed to have the northern continuation of the famous Premier vein. This property is now held by a subsidiary of Selukwe, called Sebakwe.

Selukwe owns 27 mining claims at Selukwe, Southern Rhodesia, Africa, and the holdings of the British Canadian Silver Corporation, Limited, and Sebakwe & District Mines, Limited, with extensive holdings in the Portland Canal district.

On the British Columbia holdings active development and exploratory campaigns are in progress.

Selukwe also owns the Schufer property consisting of five crown-granted claims on the north slope of Hudson Bay Mountain, eleven miles from Smithers, B.C. This property shows silver-lead-zinc ore and also a pyrrhotite-zinc ore.

Selukwe holds 100,000 fully paid shares in Kafue Copper Development, Limited, operating in holdings and concessions amounting to 30 square miles in Northern Rhodesia in Africa. And in Canada Selukwe is interested through Kafue on a profit-sharing basis in a gold dredging area on Antler Creek in the famous old Cariboo district of British Columbia. In the same district Selukwe holds under option numerous alluvial gold mining claims along Cunningham Pass Creek adjoining Antler Creek.

### Burma Areas Valuable

In Burma, Selukwe owns 120,000 shares of the capitalization of Shan States Silver-Lead Corporation, Limited. This corporation has three mineral areas in Burma, with a total of 1,183,265 acres. Considerable development work has been done on one of the Burma properties, the Bawzaing mine. The ore deposit is irregular, but appears to be about 300 feet in length and in places 80 feet in width, according to engineers' reports. It is stated that about 55,000 tons of good ore have been blocked out and the company has recently installed a mill which is producing concentrates yielding 73 per cent. lead and 13 ounces in silver to the ton.

# INTERNATIONAL "PETE" ANOTHER COMPANY KEEPS PROFITS SECRET

(Continued from page 1)

others who have made the most of the meagre information supplied by the company's officers to its individual owners.

### Standard Oil of N. J. in Control

International Petroleum, as is well known, is controlled by Imperial Oil. It is known that Imperial Oil owns over half of the outstanding stock but how much over half is left to public estimate. As Imperial Oil is in turn controlled by Standard Oil of New Jersey—which it reputed to hold about 80 per cent. of the outstanding stock—International Petroleum is in reality part of the Standard Oil of New Jersey enterprise. No light upon either Imperial Oil or International Petroleum earnings or assets is cast by the Standard Oil statement, which is a marvellous aggregation of figures that do not answer many questions shareholders might naturally ask. International Petroleum, in itself, controls a few enterprises, the most recent being the Andian National Corporation, formed to build a pipe line from International Petroleum's Colombia properties to the seaboard. The whole forms quite a chain of control. Standard Oil of New Jersey controls Imperial Oil, which controls International Petroleum, which controls Andian National Corporation, which controls—well, no subsidiaries yet, so far as is known.

Recently, when the first oil from the new Colombian field arrived in Montreal, one of the directors stated that it was gratifying that Canada was now assured of its own oil supply under all Canadian control. The chain of progression just outlined shows that it is far from the mark to speak of all Canadian control of this oil supply unless there have been recent developments of which shareholders have not been informed.

### Big Growth Shown in Earnings

International Petroleum earnings have grown enormously. No balance sheets or profit and loss statements are needed to indicate this. The dividend and stock market records tell the story.

International Petroleum was organized first in 1914 to take over various Imperial Oil subsidiaries in South America. It then had a daily production of 6,000 barrels of crude oil. Present production is believed to be about 30,000 barrels daily, to be increased to anywhere up to the actual capacity of 100,000 barrels daily, when increased pipe line facilities are available.

Back in 1915, when the stock had just been listed in Toronto, there were 1,200,000 shares outstanding and the market opened at $8.15, representing a total market valuation of under $10,000,000. The stock has been divided in two since then and a new company formed. In addition, Tropical Oil has been absorbed, the purchase price being paid over in stock. There are outstanding 7,123,544 common shares and the current market is around 34. The company is thus given a total market valuation of over $240,000,000, there being no bonds and only $500,000 of preferred stock outstanding to add to this figure. A share of stock purchased at $8.15 in 1915 would today have a valuation of $68. Dividends have always been small. Without any established dividend basis, the company's present dividends amount to about 75 cents a year, but it is anticipated that this will shortly be doubled. It is quite obvious that the company has been built up by re-investment of earnings.

What the company's total assets are, what its earning power amounts to and to what extent present market prices are justified are points upon which there is more conjecture than information. This situation will continue so long as the directors deny the shareholders annual statements.

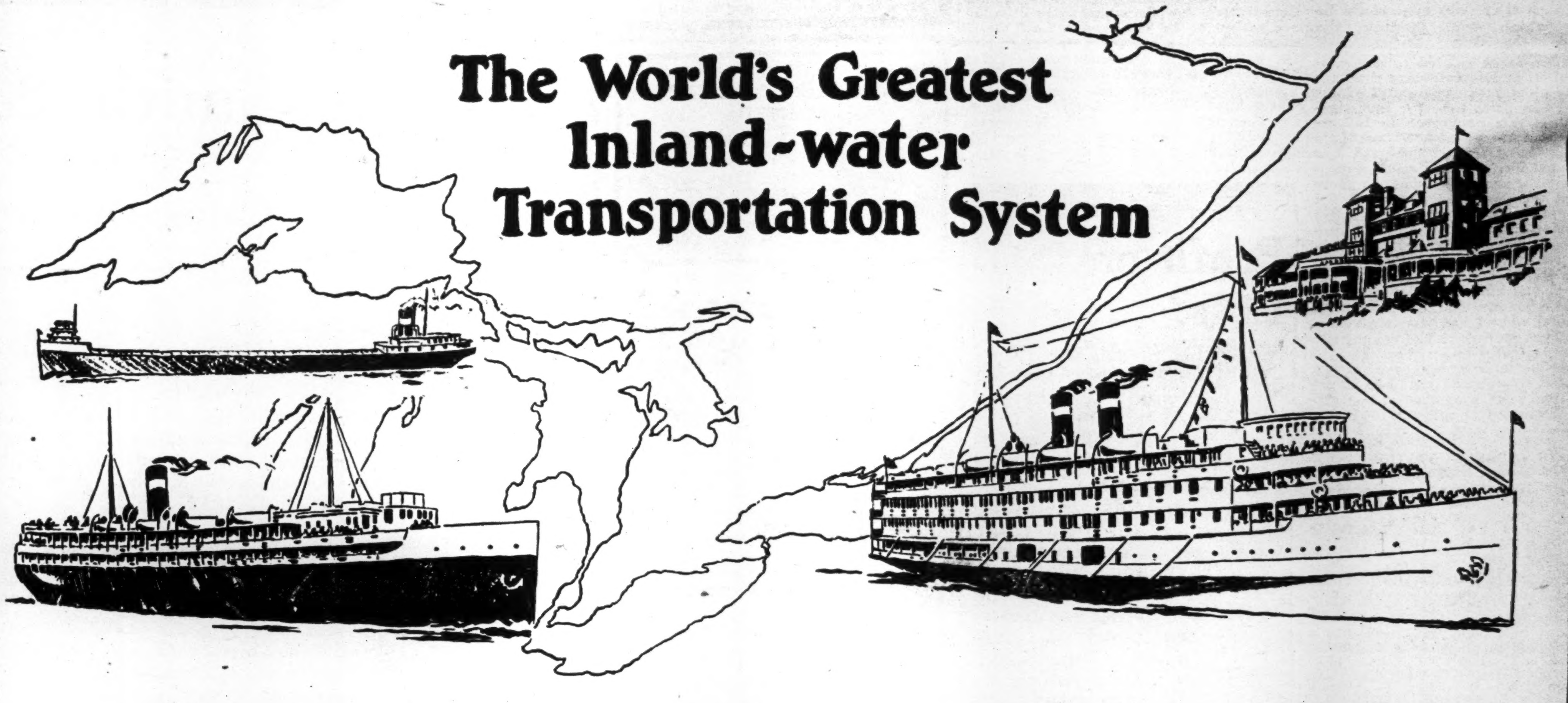
## Consolidated Smelters Sets Up New Records

**From Our Own Correspondent.**

MONTREAL.—It is understood that August proved to be a record month in the history of the Consolidated Mining and Smelting Company both in production and in earnings. It is said—but no official confirmation is obtainable—that almost every month recently has seen the setting up of new records, either in production, or in earnings, by this big mining enterprise. Thus, it is expected that as the final six months of the present fiscal year have started so auspiciously, the 1926 earnings on the stock will be better than were anticipated from the showing made during the first six months of the year for which the figures were published.

## INCORPORATE AMERICAN LLOYDS

American Lloyds of New York, which has been in operation since 1890, has been converted into a stock company under the title, American Lloyds, Incorporated.



The World's Greatest Inland-water Transportation System

Canada Steamship Lines Limited

First and General Mortgage 6% Gold Bonds, Series "A"

To be dated October 1, 1926

To mature October 1, 1941

CANADA STEAMSHIP LINES LIMITED, with its predecessor companies, has been in successful operation for 80 years and is now the greatest inland-water transportation system in the world.

With its fleet of 109 vessels, its passenger and freight terminals, docks, warehouses, hotels and coal-handling facilities it is completly equipped to handle, in addition to passengers, bulk and package freight of all kinds.

The Company enjoys excellent management. Its President, Mr. Coverdale, is an industrial and transportation engineer of long and successful experience. The Company's fixed Assets (after depreciation reserve of $11,724,102) amount to $35,895,076. Net earnings available for interest and income taxes, after depreciation and reserves for year 1926, with the last 4 months estimated, may be taken to be over two and one-half times interest requirements including this issue.

The above bonds, in our opinion, are well secured, and at the present price of 97 and accrued interest, to yield over 6.30%, are a most attractive investment.

Principal and interest (April 1 and October 1) are payable at the option of the holder in New York, Montreal, Toronto or London (at parity of exchange) in gold. Coupon bonds in denominations of $500 and $1000, registerable as to principal only in New York and Montreal. Callable at 105 on or before October 1, 1932 with successive reductions of 1% annually to and including October 1, 1936, and thereafter at 101 before maturity plus accrued interest.

THE NATIONAL CITY COMPANY LIMITED A FINANCIAL BACKGROUND OF OVER A CENTURY CANADA

Orders may be telephoned or telegraphed at our expense and a circular giving full particulars will be furnished upon request. This offering is made subject to prior sale and change in price.

The National City Company
Limited
Head Office — St. James and St. Peter Streets — Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC

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